



THE INDEPENDENT

WEDNESDAY 5 MARCH 1997

WEATHER: Dull and damp; brighter in middle of day

(IR45p) 40p

Nº 3236

THE TABLOID
Bridget Jones:
in praise of
older women



THE TABLOID
Fashion dos,
don'ts and
not-on-your-lives



COMMENT
The real challenge
for Blair
ANDREW MARR, PAGE 19



Prison made to change 1,000 locks

San Diarrell
A private prison has been forced to change all its 1,000 locks after the Prison Service invoked special powers to take charge of security at the jail.

For the first time, the prison service was forced to invoke powers under the Criminal Justice and Public Order Act 1994, and Al Pappas, the Prison Service's director of operations for prisons in the north ordered that the locks be replaced at an estimated cost of over £200,000.

George Howarth, Labour's prisons spokesman, said he was appalled that the money had been paid by the taxpayer and not by United Kingdom Detention Services, the private company that runs the jail.

The locks at the £40m showpiece jail have already been replaced several times. On one embarrassing occasion in 1993 the then governor, David Brooke, was photographed in the local newspaper unlocking a cell for visitors.

Blown-up pictures of his hand were later circulated by inmates in the jail so that key copies could be made. Locks had to be re-fitted at an estimated cost of £85,000. Seven months later, another 130 new locks had to be installed after a set of keys were stolen by inmates.

The incident led to criticism of the jail by Judge Stephen Timmins, then chief inspector of prisons. This time UKDS was not prepared to pay out after an internal investigation failed to find evidence that any keys had been stolen or copied.

An inquiry was launched last week after an anonymous tip-off, placed in a prison suggestion box, indicated that prisoners had obtained a replica key. Soon afterwards, the mother of an inmate claimed that her son was being bullied by prisoners who believed he had a set of jail keys and wanted him to hand them over.



Is this the woman who will rule Blair's new model Labour Party?

Fran Abrams
Political Correspondent
Labour is preparing to break with tradition by appointing a woman as its chief official for the first time in its 100-year history.

Margaret McDonagh, at present general election campaign co-ordinator, is being widely tipped to take over from Tom Sawyer as the next general secretary of the party.

Strong rumours among Labour ranks suggest that Mr Sawyer could be rewarded for his work in modernising the party and in planning the general election campaign with a seat in the House of Lords. If he does go, Ms McDonagh is believed to be foremost among those favoured for the succession.

A former London organiser for the party now in her late thirties, she is seen as tough, ambitious and fiercely well-organised. She has impressed senior figures with her work on the campaign, particularly in co-ordinating work in Labour's target seats.

Ms McDonagh's sister, Siobhain, is standing for Labour in the key seat of Mitcham and Morden, where the former Conservative minister Angela Rumbold had a 1,700-vote majority at the last election.

The post of general secretary is an elected one and Mr Sawyer, a former union official, was voted in by the party's national executive from a shortlist of four. Ms McDonagh might be favoured by many members of the committee, though, as the appointment of a woman would be felt to send a positive, modernising message to members.



Margaret McDonagh: Poised to become Labour's first female general secretary Photograph: John Voos

Grobbelaar jury fails to agree verdict

Michael Streeter
The four defendants in the football-rigging case face a likely re-trial after a jury at Winchester Crown Court yesterday failed to agree a verdict after a 34-day trial.

Judge Mr Justice Tuckey discharged the nine men and three women jury after nearly 11 hours of deliberation and when it became clear they were unable to reach a verdict.

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Albania at bay
In Albania, where rusty tanks rumble down the rutted country tracks that pass for major roads on a mission to break up anti-government roadblocks and intimidate Kalashnikov-toting rebels into giving up their weapons, ordinary citizens have no choice but to sit at home, knock back alternate cups of coffee and brandy and wait for the craziness to pass. Page 12
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Major slaps down any Tory attempt to play race card

Colin Brown
Chief Political Correspondent
The Prime Minister yesterday slapped down a Tory backbench MP in the Commons and gave a clear signal that he will not allow the Conservatives to play the race card in the general election.

Mr Major refused to condemn Labour for promising to abolish the "primary purpose" rule in the immigration laws, as reported in Monday in *The Independent*.

The rule requires immigrants to prove that a marriage was not for the primary purpose of gaining a right to live in the UK. It is attacked in an official guide to Tory candidates for the forthcoming election campaign.

But Mr Major refused to go onto the offensive when Nicholas Budgen, the Tory MP for Wolverhampton South West, urged him to condemn Labour for threatening to liberalise the immigration controls which Mr Budgen said had helped to reduce racial tension in Britain.

There were cries of "you're desperate" by Labour backbench MPs, and shouts of "racist" at Mr Budgen's question. But Mr Major replied: "In the last 18 years, we have seen the most extraordinary changes and improvements in race relations in this country. That is immensely important. I certainly am not going to lead my voice or my policy to anything that would 'change that improvement'."

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Grobelaar trial: Crown's allegation of international match-fixing conspiracy fails to convince jurors after 34-day hearing

Football fixing claims which divided jury

Michael Streeter

Allegations of a corrupt conspiracy involving three professional footballers to fix Premier League football matches to help a Far Eastern betting syndicate earn millions of pounds held centre stage at the Winchester Crown Court trial which ended in a hung jury yesterday. The question for the jury hinged on whether they believed the three professional footballers - Bruce Grobelaar, John Fashanu and Hans Segers, plus Malaysian businessman Heng Suan Lim - had been involved in such a conspiracy, or merely predicting results. It was common ground between the defence and prosecution that the four had been connected to a betting syndicate in Indonesia, for which Segers and Grobelaar were forecasting the outcomes of football matches. But the men denied a prosecution claim that the forecasting had been the "bait to catch the fish" and ensure therein trying to throw games. The charges were that they had conspired to give or receive money to try to influence the outcome of football matches - namely football rigging. Grobelaar, 39, was separately charged with accepting £2,000 from his former business partner and friend, Christopher Vincent, as inducement to influence a game. All denied the charges. Mr Vincent, like Grobelaar a Zimbabwean, had been the main prosecution witness. The court heard how after the collapse of a joint business ven-

ture he had approached the Sun newspaper in September 1994 with the twin intentions of making as much money as possible and "destroying" Grobelaar - with allegations that the footballer had "thrown" football matches. The Sun had secretly videotaped meetings between the pair in which Mr Vincent pretended to have details of a "new" betting syndicate; during the meetings the goalkeeper is heard apparently admitting trying to throw matches, including one - against Newcastle - from which he was said to have made £40,000. He also claimed he had "lost" £125,000 after his team Liverpool had drawn 3-3 with Manchester United. The Sun's report in November 1994 led to an investigation by Hampshire police. In his evidence Grobelaar, now with Plymouth Argyle, said he had been stringing Mr Vincent along, to find out who what his former friend was up to and who was behind the meetings. He also said that in an untaped meeting he had told Mr Vincent that fixing matches was silly and could not be done. The prosecution accepted that Mr Vincent, a failed businessman, had been motivated by greed in approaching the Sun - for which he received £35,000 - but claimed the tapes plus surrounding evidence backed his story. Grobelaar had been motivated by anger at the level of his pay compared to colleagues as he neared the end of his career, an accusation the footballer dismissed. The defence said Mr Vincent had been the "villain" of the piece in contrast with the foot-

ball "heroes" and that he was a mercenary witness. Apart from the tapes, and the testimony of Mr Vincent - who is due to stand trial on another matter - the main prosecution evidence was what they called the "pattern" of telephone calls between the defendants, coupled with evidence of "unexplained" payments - some in cash - received by the four. Calvert Smith, for the prosecution, had said that Mr Lim, 31, had been the "representative" of the betting syndicate whose role was to recruit footballers to help fix matches. Gladwin presenter Fashanu, 34, now retired, had been the "middle man", said the prosecution, recruiting the two goalkeepers to fix the matches. There was evidence that Segers had paid in more than £104,000 in cash to a Swiss account. Fashanu had received more than £200,000 from the Far East, from where Mr Lim had received £500,000. The defendants admitted they had been involved in match forecasting - which is not illegal though it may breach Football Association guidelines - for the syndicate; but said they had not been involved in rigging any matches. The telephone calls and payments could be explained by the forecasting - Segers and Fashanu also said they had incomes from other legitimate business sources. The defence also called expert football witnesses such as Bob Wilson, Alan Ball, Gordon Banks and Alan Hansen. None of them said they saw any evidence of attempts to let in goals by the goalkeepers.



A tired looking Bruce Grobelaar leaving Winchester Crown Court with his wife Debbie after the jury failed to reach a verdict on match-fixing allegations yesterday. Photograph: Ian Waide/Reuters

Justice system's worst nightmare

Patricia Wynn Davies
Legal Affairs Editor

It is the justice system's worst nightmare - a lengthy trial, a string of expensive counsel and solicitors and costs running into hundreds of thousands of pounds. The unenviable decision over whether to embark on an equally lengthy and costly retrial now falls to Barbara Mills QC, the Director of Public Prosecutions. She is expected to consult the Sir Nicholas Lyell QC, the Attorney General, whose consent had to be sought for the prosecution in the first place because it was being brought under the Prevention of Corruption Act. But the final decision is hers. The tests for whether a prosecution should be brought are whether there is enough evidence to support a realistic prospect of conviction, and whether the trial would be in the public interest. Retrials after hung-jury verdicts are not that uncommon, but the fact that a jury has failed to agree once on a body of evidence dictates that decisions to press ahead are taken only after careful consideration. There is nothing to stop the Crown from running the second trial in a different way, but the chances of finding additional evidence are usually slim. In high-profile cases, the fact that the issues have been publicly and extensively aired may also be a reason for concluding that the public interest would not be served by rehearsing them again. Recent cases where juries were unable to agree include that of showjumper Harvey Smith, where the jury could not reach a verdict over an assault charge relating to a dispute with a golf course bordering his home. One retrial is usually the limit.

Blair's lords-a-leaping ready to bring down the house

Fran Abrams
Political Correspondent

Darling, *low* London is talking about it. They say Tony Blair might have to create 50 new life peers if he wants control of the House of Lords. Why, the queue is already half way down Millbank! With the long haul almost over and a Labour victory in sight, the word on the street is that lists are being drawn up for a veritable swathe of new life peers. And there is no shortage of takers among Britain's left-wing elite. Labour's new model aristocracy will have a job to do, of course, helping to push through proposed constitutional reforms. Some senior sources say they may have to be drafted in sooner rather than later if hereditary peers' voting rights are to be removed. Safe to say, though, that Mr Blair will not have to look far in his

search for worthies who are keen to sport the ermine. All he has to do is to sit back and wait for huge crowds of party donors, hangers-on and other hangers-on to beat a path to his door. But the Prime Minister-in-waiting should beware - the road ahead is bristling with pitfalls. What, for example, of all those faithful souls who have helped to fund the election effort? Of Barry Cox, an old friend of Mr Blair's who made a mint in independent television and who raised a tidy sum for the Labour leadership campaign? Of James Palumbo, whose Ministry of Sound night club

has provided a chauffeur-driven Rover for the use of Peter Mandelson and his staff? A tricky business, this. But wait - there are plenty of showbiz types who support the Blair cause. And they brighten the place up no end. How about that nice Melvyn Bragg, for example? Or Dawn French - she seems like a nice, church-going type. Damon Albarn from Blur - whoops, Blur - is a Labour man, and even Brian Clough has been seen wearing red occasionally. Well, maybe not. After all, the main qualification for these jobs is that their incumbents should turn up regularly to vote. After all, too many of the old party faithful have been kicked upstairs in the past and never seen again. Baroness Falkender, ennobled by Harold Wilson 23 years ago for faithful service as his political secretary, has yet to make her

maiden speech. What New Labour needs is good, solid, hard-working peers who have proved themselves in high-flying posts, who aren't over the hill and who are prepared to give up the day job in favour of the Lords' attendance allowance of £32 per day. So, how about Edwina Currie, then? Often seen in Parliament, good pro-European views. But sadly, still a Tory. Labour's Lavender List must be free from discrimination, of course - imagine the shame if Mr Blair's nominees turned out to be all male! - but that might be going too far. Jamaican-born Bill Morris of the TGWU would have been an excellent choice, too. But Mr Morris has already said he still has work to do with his union and is not yet ready to be elevated. This game is not as easy as it looks. Ah, well, back to the drawing board. Did someone say Kevin Keegan was looking for work?

Tony's home bankers

Helena Kennedy QC
Roy Hattersley
Shelia McKechrie
Alan Howard
Theresa Stewart
(Birmingham Council leader)
Joan Lester
Sir Gavin Laidlaw
Christopher Haskins
(Chairman of Northern Foods)
Diana Warwick (head of Vice-Chancellors' Committee)
Andrew Phillips (broadcaster)



Winning votes: Helena Kennedy and Roy Hattersley

Bringing up the field

Edwina Currie
Melvyn Bragg
Tory Booth
Barry Cox
Steve Coogan
Damon Albarn from the pop group Blur
Michael Levy
James Palumbo
Swampy
Baroness French of Dibley
Jack Dromey



Poor bets: Damon Albarn and Edwina Currie

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The Mini bounces back to life ... but not as we know it

Jonathan Glancey

The successor to the world-famous Mini was launched at the Geneva Motor Show yesterday. And, erm, that's it really.

If the new bug-shaped car is, at first glance, a disappointment, this is because it has been virtually impossible for Rover, its maker, to repeat the sensation caused by the original car on its debut 38 years ago. Sir Alec Issigonis's legendary design has been in production, with remarkably few changes, ever since, and although the original Mini sells in fairly small numbers today, the car has remained a cult classic as well as a practical, if noisy, way of nipping through city traffic.

Just 10-feet long, yet seating four adults, taking a sizeable chunk of luggage, and immense fun to drive, the Mini was well-received since its inception, but was never a commercial success. Its original manufacturer, the long-defunct British Motor Corporation, was incapable of making a decent profit on the little car, even though it generated enormous publicity and goodwill in the early Sixties.



Sixties icons: The original Mini and the new Volkswagen Beetle



Taken up by fashionable photographers (Lord Snowdon), comics (Peter Sellers), Beatles (John Lennon), racing successfully in the Monte Carlo Rally and starring, along with Michael Caine and Noel Coward, in *The Italian Job*, the Mini was the car of the decade. Last year a poll of *Autocar* readers voted Issigonis's miniature masterpiece the Car of the Century, ahead of such historic and best-selling rivals as Henry Ford's Model T and Ferdinand Porsche's Volkswagen Beetle.

From certain views the new Mini looks rather like VW's retro-Beetle which goes on sale in Britain soon. This is probably less the result of BMW's ownership of Rover than the fact that an obsession with bug-like "organic" design has swept through motor-industry design studios over the past five years. The Ford Ka, Dagenham's new "super-mini", is clearly derived from the same school of design, as is the up-and-coming Mercedes-Benz city car. Graduates of the Royal College of Art's car-

design school, which has nurtured the approach for 10 years, have spread the style-language to all four corners of the auto-world. The new Mini is not especially distinctive.

For better or worse, the 1959 Mini was largely the product of one man's design skills. Issigonis's car bounced onto the road on its tiny 10-inch wheels very much as its Styria-born engineer intended - free from compromise and the dead-hand of design committees and marketing studies. The latest BMW-Rover Mini (the



Into the future: The new Mini, as unveiled at the Geneva Motor Show

Photograph: AP

car will be branded as a Mini without reference to its makers) is the product of compromise. To an extent this is a relief. Issigonis initially refused to include a heater in the first Minis, because, or so this unrepentant functionalist argued, these would cause drivers to fall asleep.

The raucous, anti-sleep BMC A-series engine that powered the Mini for many years will make way for a Chrysler engine built in Brazil.

Prototypes shown at Geneva include a five-door hatchback version, suggesting Rover is more interested in competing with the "super-mini"

market. The original Mini occupies a slot in which it has become the only choice. Other upmarket bubble cars such as the Fiat 500, Datsun No00 and Hillman Imp have long since vanished. The latest car from Rover is a Mini, but not as Alec Issigonis, John Lennon and Twiggy knew it.

Parents who fail could be tagged

Patricia Wynn Davies
Legal Affairs Editor

The most extreme cases of bad parenting would be criminalised under the latest initiative against youth crime from Michael Howard, the Home Secretary.

Those who failed in their parental responsibilities and spurn offers of support would be at risk of a parental control order, punishable if breached by an electronic tagging order, a £1,000 fine, a probation order or removal of their driving licence, Mr Howard said in a Green Paper.

New inter-agency groups - child-crime teams - would identify children at risk of offending, referring them and their parents, if appropriate, to a suitable local scheme to reduce the risk of offending.

The aim is to target children of 16 or under, including those under 10 who cannot be brought before the criminal courts, whose behaviour is likely to lead to offending as well as those who have already notched up convictions. Parents would be at risk of an order where the behaviour was judged to have resulted from their own lack of care and control.

But the paper, "Preventing Children Offending", found a lukewarm reception from penal experts, who welcomed its emphasis on early intervention but warned that the punitive elements would do little to reduce delinquency.

Courts already possess a panoply of criminal and civil powers to deal with errant children. Mary Honeyball, general secretary of the Association of Chief Officers of Probation said: "Magistrates already have the power to fine parents of young offenders. This power is

rarely used because sentencers know it does not work."

Mr Howard insisted, however, that there was a fine distinction between his proposed new order, which would be subject to extensive piloting, and what had gone before. "The order itself is not a criminal offence. It is a way of encouraging parents to face up to their responsibilities."

However, the criminal law would come into play where parents "unreasonably" refused to comply with an order, failed to comply with conditions attached to it - for example ensuring that their child was at home at certain hours, or putting right damage, making an apology or cleaning up graffiti - or where the parents' behaviour clearly showed they were not exercising proper care and control over the child. The penalty of a curfew order, monitored by electronic tagging, might require the parents to "stay at home in the evening where they could keep an eye on their children", the paper says.

Ms Honeyball said: "Fines and curfews will only increase the feeling of inadequacy. Those parents who will not or cannot take responsibility for their children are unlikely to respond to punitive measures which may increase domestic tension and result in the child being taken into care."

Paul Cavadin, chairman of the Penal Affairs Consortium, said: "The Green Paper is a peculiar mixture of constructive ideas to prevent delinquency and punitive parent-busting measures which will do nothing to cut youth crime. The response will often be excessive physical punishment of the child, which in turn increases the risk of aggression and further offending."

Irish army defuse loyalist bomb

Alan Murdoch
Dublin

Loyalist paramilitaries are believed to have planted a bomb containing commercial explosive in Monaghan town in the Irish Republic, close to the border with Northern Ireland.

The device, found in a yard behind a Sinn Féin office on Monday, was the first loyalist bomb discovered south of the border since the Combined Loyalist Military Command

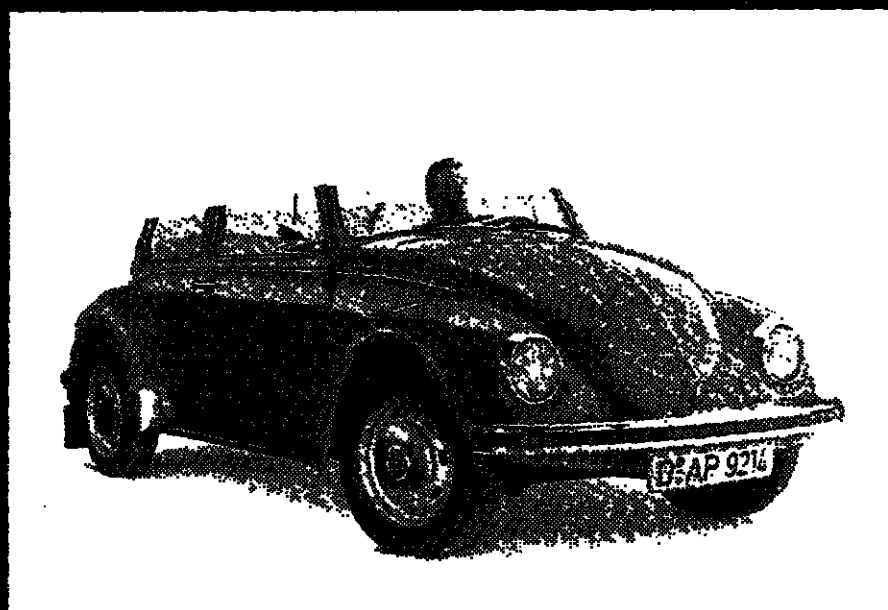
announced its ceasefire in October 1994.

Gardai suggested the crudely-made bomb, left in a plastic holdall, may have failed to go off because of faulty construction. A man living in a nearby flat heard the detonator explode. But it failed to set off the main bomb, which was made safe by an Irish army bomb disposal unit.

The device in Monaghan is believed to have consisted of several pounds of Powergel, a type of commercial explosive which was previously used by the loyalist UVF (Ulster Volunteer Force) in devices planted in Dublin in 1994, neither of which exploded.

A new level of detente will be reached today when Orangemen meet an Irish minister, Avril Doyle, to discuss ways in which they may be included in next year's bi-centennial celebrations of the 1798 United Irishmen's rebellion, which sought to launch an insurrection based on the ideals of the French Revolution.

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news

Epistles at dawn for champions of Jesus and St Paul



AN Wilson: "If it was not for Paul we would never have heard of Jesus"

A writer dismisses Christ as a minor 'Galilean exorcist', and brings down the wrath of theologians

Kate Watson-Smyth

They're calling it Epistles at Dawn and it is likely to be a bitterly fought and bloody duel. It hinges on the startling theory put forward by a former high-Anglican novelist that Jesus Christ was not the founder of the Church; it was, in fact, his friend Saint Paul.

The author of this theory is the writer AN Wilson who says that Jesus was simply a minor "Galilean exorcist" and just one of many messiahs knocking around that region 2,000 years ago.

He argues that Christianity in fact owes its existence to Paul, whose vision on the road to Damascus led him to claim a new covenant and to put forward a view of Christ as Saviour and the Cross as the gateway to salvation.

This theory flies in the face of conventional Christian belief and Wilson was instantly challenged to a public debate by the Dean of Lichfield, the Very Rev Tom Wright, a Pauline scholar who claims that Wilson has got "everything completely upside down".

He said: "There has always been a lot of lively debate about Paul and his role in Christianity but really Mr Wilson has got it all wrong."

"The argument about Paul's role in the founding of Christianity has been going on for ages and serious scholars of all shapes and sizes gave them up long ago."

"There is no doubt that Mr Wilson is a talented and elegant writer but he has got it quite wrong and he should stick to writing fiction."

Wilson was unfazed by this attack and stuck rigidly to his guns: "If it was not for Paul we would never even have heard of Jesus."

"Paul brought Judaism to the Gentile world and as far as he was concerned Jesus was the equivalent of the unknown soldier. We put a lot of our thoughts into that tomb at Westminster and we have no idea who is in it and it does not really matter. In the same way, Jesus is simply the focus for Christianity."

Dr Wright said he was worried about the harm such radical theories could provoke and challenged Wilson to a public debate.

"He has always refused to debate the subject properly with me until now but I believe he has now agreed," he said triumphantly.

"I don't know where and I don't know when - but we will have that debate."

Others seemed reluctant to join the fray. A spokesman for the Synod of the Church of England said its members could not possibly enter the debate on who started the Church.

"There is no call for the Church of England to have a major view on Paul so we leave all that to the theologians," he said.

"The Church never takes an official position on reflections such as these - the Synod does not go in for debate," he added loftily.

So, then, to find a theologian with an opinion on the far-reaching question of who started the Church.

James Dunn, the Lightfoot Professor of Divinity at Durham University, said that Wilson's book was just the latest in a long line of new theories.

"There's a new theory put forward about every 10 years and it gets discussed for a while and then forgotten about," he said.

Canon Professor Robin Gill, of the University of Kent, Canterbury, seemed to prefer the "if it's not broken don't mend it" school of thought.

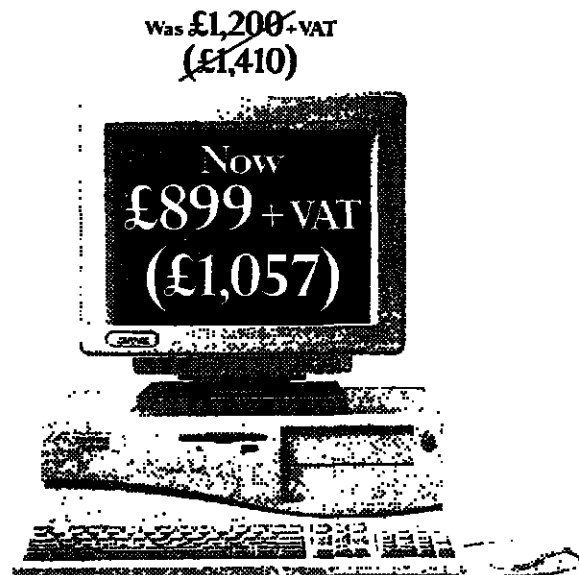
"It is in the nature of universities to pose radical questions and debate them but it is not something that should be put into the public arena as a lot of people will not have the background knowledge and understanding to discuss it and they may find it offensive."

"If there is a coherent picture of Jesus in the Gospels, and there is, then why not start with that. There is no need to start turning everything upside down and spending a lot of time speculating for the sake of it," he said. Quite.



Dr Wright: Wilson has got "everything completely upside down"

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Child intensive care needs concentrating

Glenda Cooper
Social Affairs Correspondent

Intensive care beds for children should be concentrated in a few large regional centres, rather than being dotted around district general hospitals, according to an expert advisory committee.

The national advisory body on paediatric intensive care, meeting in London yesterday, said 250 beds could be concentrated in as few as 16 centres compared to the 30 main centres which now deal with intensive care for children.

The news comes as it was revealed that a three-year-old girl, flown 200 miles for hospital treatment, has died. Jodie Levy, from Oxford Park, Sunderland, was taken to the Glenfield Hospital in Leicester last Wednesday by helicopter to undergo specialist treatment for meningococcal septicaemia.

She needed specialist treatment to put oxygen into her blood to counter the effects of meningococcal septicaemia;

doctors in Sunderland had been unable to offer such treatment.

Sources close to the National Co-ordinating Group on the Provision of Paediatric Intensive Care said it will recommend that future policy should allow for about two centres per region, with at least eight intensive-care beds per centre as a minimum.

This would compare to the present situation, where many beds are dotted round district general hospitals. About 12,000 children are admitted to intensive care each year. The majority of units have six beds or less, though some have more than 30. The result is that about 40 per cent of children in intensive care are treated on children's wards, or in adult units, rather than in specialised units.

The group is also urging the training of more staff to specialise in paediatric intensive care, as the outcomes for children are much better where dedicated staff are treating them. "It cannot be done on a part time basis," one source said.

At present, only half the nurses who work on paediatric intensive care wards have trained specifically in this specialty, though 90 per cent are trained to work with children. The group was expected to call for the number of those specifically trained to be doubled.

"The best results for children are services with dedicated medical nursing staff who have gone through the proper training," the source added.

Retrieval systems should also be improved, with senior staff being sent in the ambulance to collect the child. There would need to be agreed arrangements with the control units over how children would be transferred. Parents should also be transferred with their children. Anthony Harrison, fellow in health policy analysis at the King's fund, said the idea "was aimed at reducing risk" but that good retrieval practices were essential if deaths were to be avoided.

Ann Coffey, Labour health spokeswoman, called for more

research to be done to make sure that the number of beds was sufficient.

She added that any overhaul of specialist centres would inevitably require close inspection of primary and secondary care.

The group was set up in June last year, following the report into paediatric intensive care by the NHS executive which promised 30 extra beds and called for specialist staff and greater flexibility.

That, in turn, had been sparked by the crisis of the previous winter, when hundreds of children in need of intensive care beds had to be turned away from major hospitals, prompting widespread criticism of government policy from doctors and patients' groups.

The crisis peaked with the death of Nicholas Geldard, 10, in December 1995. He suffered a brain haemorrhage at home in Stockport, Cheshire and was ferried, already brain-dead to Leeds after hospitals in Liverpool, Manchester and Sheffield turned him away.

Ban on creating human clones must be tightened up, MPs say

Charles Arthur
Science Editor

MPs have called an urgent meeting today to clarify whether British law needs to be tightened to close a loophole that might allow the creation of human clones.

The cross-party Science and Technology Select Committee will today ask representatives of the Human Fertilisation and Embryology Authority (HFEA) to clarify the position. Under the HFE Act, which became law in 1991, cloning human embryos is banned. But the technology used to create Dolly the sheep, a clone of an adult sheep, did not use an embryo. It used an unfertilised egg cell and the nucleus of a normal cell.

That leaves open the possibility that somebody might be able to take cells from an adult and insert them into unfertilised egg cells and try to produce a clone. If the cells were taken with consent from an adult woman, she might also provide the egg cells, opening up the odd possibility that somebody could lawfully clone themselves.

The HFEA's confidence was dented by the recent decision of the Appeal Court to overturn its ban on the use by the widow Diane Blood of sperm taken from her husband while he was in a coma. Although the Act had been thought watertight, it was breached there. MPs fear something similar could happen with cloning.

"It's a legal question that we

can get out of the way by talking to them," said Dr Jeremy Bray, a Labour member of the committee yesterday.

Tomorrow, the committee will question representatives of the teams who did the breakthrough research at the Roslin Institute and PPL Therapeutics in Scotland.

Despite the brief period remaining until Parliament is dissolved for the general election, the committee plans to rush out a report on cloning. "We had to move quickly," said Dr Bray.

The reverberations from the Scottish work continue to spread. President Bill Clinton yesterday banned the use of US government funds for human cloning experiments, warning that humanity should "resist the

temptation to replicate ourselves."

President Clinton asked for a voluntary moratorium on human cloning experiments in the US, at least until the legal and ethical issues can be sorted out. Since privately funded scientists are not covered by his directive, he said only a voluntary moratorium would ensure ethical issues are fully debated.

Researchers in Oregon who last year cloned monkey embryos said they had no desire to reproduce a human.

Mr Clinton said there was a need to resolve the desire to use cloning to cure disease "without raising the kind of ethical implications that, in effect, we're in the business where people are trying to play God".

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Police to seek missing Manics lyricist in Goa

Jason Bennett
Crime Correspondent

Interpol, the international police organisation, is to be alerted about a possible sighting in India of Richey Edwards, the missing member of the Manic Street Preachers rock group.

Detectives from Scotland Yard have questioned Vio Morris, a lecturer in media studies at Neath College in South Wales, who believes he saw the missing musician at a market in the holiday region of Goa. They believe Mr Morris is a reliable witness and are taking his report seriously.

Interpol and the Indian police are to be given descriptions and photographs of Mr Edwards who wrote lyrics and played guitar for the award-winning Welsh band, before disappearing, aged 28, in February 1995 while being treated for depression.

His passport and credit cards were found in his flat in Cardiff and, two weeks later, his car was found at Aust service station, next to the M4. Its car park overlooks the Severn Bridge and is a favourite spot for suicides. However, his body has not been found, prompting claims by many of his fans that he may still be alive.

A spokeswoman for the Manic Street Preachers said yesterday: "Everyone is very upset by these reports. We are concerned [about Richey] the



Edwards: Vanished in 1995

friend of the band. There have been a number of sightings and the whole thing upsets a lot of people." She added that the members of the band did not want to comment.

Mr Morris, who said he was "seven-and-a-half out of 10" convinced the man he saw was the musician, said he now regrets the fuss his claim has caused. He saw a man with long hair who looked like Mr Edwards last November. A stranger said that he was called "Rich" and had arrived in Goa about 18 months before.

Mr Morris told BBC Radio 4's *Today* programme he had mentioned the sighting in passing during an interview, and the matter had been "seized on". He was now concerned about the "palaver and distress" caused to Mr Edwards' parents. He added

a plea for the man who "has worked so hard to gain this anonymity" to be left alone.

A spokesman from Scotland Yard said: "We questioned Mr Morris on Monday. We are fairly confident this is a serious report. The sighting was made in November last year so where the person it now is hard to say. The indications are that it is a positive lead."

He stressed that Mr Edwards was not wanted for any criminal activity. "He might be marked down as a vulnerable person and we would want to see that he was OK."

The controversy comes a week after his former group won best band and best album in the music industry's Brit awards.

Mr Edwards' parents, who live in Blackwood, Gwent, are said to share his fans' optimism and have clung to sporadic sightings of their son, which have been reported in Germany, New York, Bedfordshire and Worcestershire.



Making music: Iona Cottart, 17, and Charles Rice, 16, choristers with the Chapel Choir of The King's School, Canterbury, Kent, singing in the school's ancient Memorial Court in advance of the choir's concert at St John's, Smith Square, in London last night. Photograph: John Voos

New train order signals advance of privatisation

Randeep Ramesh
Transport Correspondent

The first major order for new trains since Britain's railways were privatised was announced yesterday.

London Tilbury Southend, which runs commuter services between London and Essex, placed a 44-train order with Derby-based Adtranz LTS, taken over by Prism last year, had been dubbed Britain's "misery line" by passengers forced to use the company's creaking 30-year-old slam-door carriages.

The new 100mph sliding-door trains are superior to the older carriages. Equipped with air conditioning and wider seats, they have electronic information boards in every carriage. They should be in service by 1999 and managers predict that they will cut journey times by 10 per cent. "The new trains will offer a vast improvement for passengers and are of the very latest design," said Bob Howells, LTS chairman.

The privatisation of British Rail saw a collapse in the train-building market. In the five years before its sale, BR bought

more than 400 carriages a year, whereas privatisation has seen only 12 new carriages ordered by a private operator - Chiltern.

"This is great news for our company and we hope it will signal the start of a new rail revolution in the UK and growth in the industry," said Stig Svard, the company's UK chief executive. A company spokeswoman said the order "was likely to lead to new jobs."

The company had as many as 6,000 employees in the late 1980s. But with orders drying up, numbers at Derby have dwindled to about 1,000.

Private firms have promised much, but delivered little, in return for the chance to run the nation's train set. National Express, which operates Gatwick Express franchise, is poised to buy eight new trains and French firm Comptac are also set to invest in more than 100 trains for its Kent commuter services.

Sir George Young, the Secretary of State for Transport, said: "This is good news for British industry and is further evidence of the benefits which rail privatisation is bringing to rail passengers."

DAILY POEM

Talking to Gerry Adams, 1994

by Thomas McCarthy

We are three floors above your foot-soldiers, which is the right of those who exchange ideas. We know nothing about fuses. We detonate opinions and views. Your handsome face (the face of Sean Moylan in Keating's *Men of the South*), has no pain visible to me. It has absorbed politics, and flying columns of documents.

Today it's the "productive atmosphere of peace" after war. I find myself switching sides already. Maybe this is what poets are for in a destitute time. To stay apart from the Dail. Thinking finds a Protestant in me; and Ulster, an autonomous region of the heart.

This poem comes from *The Lost Province*, the latest collection by Cork-based writer Thomas McCarthy. The volume's title sequence reflects the experience of the Northern Irish ceasefires of 1993 to 1994. *The Lost Province* is published by Anvil Press, price £7.95.

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Scientist denies testing animals from Gulf War

Ian Burwell

The Ministry of Defence admitted last night that Parliament may have been misled by Earl Howe, the Defence minister, over the fate of animals whose deaths may have been linked to the use of organophosphate pesticides in the Gulf War.

Former soldiers who served in the conflict have told *The Independent* they believe that camels, sheep and domestic animals which died in the war were killed by pesticides.

Army chiefs ordered that the animal corpses be sent back to the UK for scientific tests to determine the cause of their deaths.

Last July, in response to a Parliamentary question, Earl Howe told Parliament the experiments at an Edinburgh veterinary centre had shown the animals died of natural causes.

But last night, after inquiries by *The Independent* and Granada Television, the director of the Centre for Tropical Veterinary Medicine in Edinburgh, which Earl Howe said carried out the tests, said he had no record of such work ever being done.

Professor David Taylor said at the centre had no recollection of such tests. He has written to Earl Howe asking for an explanation of the informa-

nation given to Parliament last July. "I have gone back through all our computerised records, and we have no record of ever having done this work."

He added: "I have written to Earl Howe and asked him if he could let me know exactly who received these sample because we are at a loss to know where this information in *Hansard* comes from."

The MoD said it had begun an internal inquiry into how the minister had been misled.

A spokesman said: "We are getting all the paperwork out to see who advised the minister in his reply. Perhaps there is confusion in the name of the learned body [which did the experiments]. It seems clearly to have not been the Centre for Tropical Veterinary Medicine."

Last July the Countess of Mar, who has taken a special interest in the effects of organophosphate insecticides and other chemicals on British troops, asked whether the animals had been exposed to nerve gas.

In his reply Earl Howe said: "Samples from dead animals were sent back to the Edinburgh Veterinary School and Tropical Medicine Centre [sic] and all were found to have died of natural causes or such things as eating vehicle batteries."

At the time the answer was given, the MoD was denying the use of organophosphate insecticides (ops) in the Gulf War.

Three months later, Nicholas Soames, the Armed Forces minister, apologised to the House and said he had been misinformed: ops had been used to protect troops from desert pests.

Yesterday, troops who served in the conflict told of how they were ordered to put the animal carcasses into plastic bags to be flown back to Britain.

Cpl Richie Turnbull, a Chester-based RAF veteran, said: "All the flies on the animals were dead as well. It was very strange." He said that he was sure that the dead animals were being sent back to military labs.

Sgt Angus Parker, a laboratory technician who was working for scientists from the Porton Down chemical and biological defence establishment in Wiltshire, attributes the animal deaths to the use of pesticides.

He said he accompanied body-bags containing animals as they were flown to Boscombe Down, the military airport in Wiltshire, close to Porton Down. "They were taken away in lorries and I am pretty sure they were not going to Scotland," he added.



Handshake of victory: Tony Blair welcoming Ben Chapman, who became the new Labour MP for South Wirral after his victory in the by-election last week, at the House of Commons yesterday

Photograph: Adrian Dennis

PRIME MINISTER'S QUESTIONS

SCORING THE EXCHANGES

Tony Blair
4/10

John Major
4/10

Blair's first question showed that he wasn't looking to entrap Major with clever facts, but was using the NHS as a launching pad for a "the Government must go" conclusion.

Major concentrated on Labour's opposition to Conservative Health policy, and said Blair should stop "harping on". As always, the two leaders presented polarised views of the NHS.

BLAIR'S ATTACKS

Blair asked whether Stephen Dorrell should "concentrate on dealing with the crisis in the NHS rather than adding to the crisis in the Conservative party". Major replied: "he has been an outstanding Secretary of State". Blair asked about a survey saying that many accident and emergency departments were in crisis. Major said Labour had opposed all the improvements the Conservatives had made to "create a modern NHS". Blair said if Major was so confident, he should call an election.

THEMES OF THE DAY

• The Northern Ireland devolved assembly (Clive Soley, Lab, Hammersmith)
• Immigration (Nicholas Budge, C, Wolverhampton South West)
• The "Conservative lightbulb" (Paddy Ashdown)
• The date of the General Election (Helen Jackson, Lab, Sheffield Hillsborough)
• Conservative success (Peter Luff, C, Worcester)

GOOD DAY

Ben Chapman (Lab, Wirral South)

was introduced as an MP when questions were asked. Major advised him not to unpack his bags. But perhaps the new boy will be around for longer than the Prime Minister?

Nicholas Budge praised the Government's strict immigration policy asking Major to condemn Labour's proposed relaxation of the rules. Major simply said he would not support anything that would damage race relations.

THE UNANSWERED QUESTION
Jackson: "Following the very decisive statement by the voters of Wirral last week, will the PM... tell us whether or not the General Election will be on May 1st?" Major said that firstly, he wanted to congratulate the new MP for Wirral South, Ben Chapman. He then sat down without making a second point.

THE QUIP OF THE DAY
Ashdown: "When last week the PM instructed his party to start the fightback immediately, did he expect them to take him quite so literally? Lord Tebbit... tell us how to deal with these delinquents, Secretary... in deciding how to deal with these delinquents, has the PM ever considered that he might make use of secure accommodation and electronic tagging?" Major was seized by the giggles, and had to look at the Speaker to regain his composure.

THE CREEP OF THE DAY
Luff: "This country has the most successful economy of any... in Europe. We have a Government determined to protect the interests of the UK in Europe, and... prepared to protect the unity of the UK and its... influence around the world, and wouldn't all this be put at risk by the policies of the party opposite?"

Compiled by Ben Summers

Court backs council over £21m subsidy

Christian Wolmar
Westminster Correspondent

The Department of the Environment faces a £300m hole in its budget after losing a court case against Camden Council over the rules governing housing subsidy.

Camden in north London is expected to receive £20.9m as a result of Court of Appeal victory and a further 15 other councils are expected to benefit from the judgment made yesterday.

Steve Bundred, Camden Council's chief executive, said: "This is a victory for common sense and for long-suffering council tenants." He said that cuts in the Government's housing grant over years have left many of its estates "with simply no cash for vital repairs" and that the extra money could now be used for housing investment.

The extremely complicated

case centred on whether the DoE was obliged to pay a subsidy when the council made a change to its accounting practice for its housing revenue account. Camden, along with other councils, had been asked to change its accounting practice for its housing revenue account; the separate budget for housing services, to bring it in line with recommendations from the Chartered Institute of Public Finance and Accountancy.

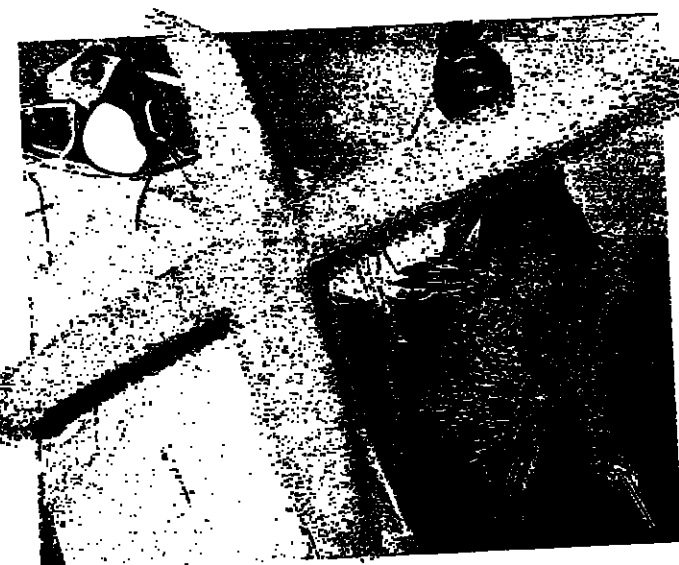
Although the Act governing the operation of housing revenue accounts came into force in 1990, it was not until 1994/5 that Camden changed its system in line with the recommendation. This involved a "one-off" payment for which the council argued it was entitled to a subsidy of £20.9m. The Secretary of State for the Environment had argued that if the council had adopted the new accounting method before 1990, no adjustment would have been necessary.

Lord Justice Roch said in his judgment that he was prepared to accept that the Secretary of State intended that the subsidy should not be paid, but had not worded a directive clearly enough to achieve this.

The judge said the council had argued that if the subsidy were not paid, it would mean either an average rise of £230 for every council taxpayer, or massive cuts in council services.

The judge rejected the Secretary of State's claim, saying that although ministers had not wished to pay the subsidy, if the Secretary of State "has not used the words necessary to achieve his objective, that is unfortunate."

Mr Bundred said yesterday: "We have to fight for every penny for regeneration of our run-down estates. This money has been kept from our 30,000 tenants. It is overdue and very welcome."



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international

A powder keg explodes in the heart of Europe

Nobody has any control over the President any more. Some say he has gone crazy, others assert he always was. Rusty old tanks rumble down the rutted country tracks that pass for major roads on a mission to break up anti-government roadblocks and intimidate Kalashnikov-toting rebels into giving up their weapons.

A media blackout is imposed on the country, radio stations are pulled off the air, a handful of journalists are beaten up, an independent newspaper is firebombed and a favourite café for opposition figures and intellectuals is trashed by unidentified thugs.

The country is crawling with secret policemen, mafiosi, security patrols and army units. The shops are besieged and bread is running short. Only trans-shipments of cocaine and heroin continue as normal. Paranoid rumours of interethnic power struggles and outside intervention abound. The government is dismissed but does not go away: the army chief of staff is fired and pursued by the courts for sedition; the head of the secret police is put in charge of running the country.

It's a jungle out there, and ordinary citizens have no choice but to sit at home, knock back alternate cups of coffee and brandy and wait for the craziness to pass. What country could this possibly be? It sounds like the backdrop for a piece of Latin American magic realism, but it isn't. It's happening, right now, and in the heart of Europe.

For two years, Albania has been a powder keg of corruption, organised crime, political repression and financial con-tricks. Somehow the outside world failed to see the disaster coming and insisted that the country was developing as a haven of peace and democracy.

Andrew Gumbel on the world's folly in ignoring the signs of approaching disaster in Albania

Now the powder keg has exploded, and the fall-out has only begun. Much of Albania's economy has gone belly-up following the collapse of a string of fraudulent pyramid investment schemes linked to organised crime networks that inveigled the entire population. Law and order has collapsed because one half of the police and judiciary has been irredeemably corrupted, while the rest have been run out of the southern half of the country by furious crowds brandishing automatic weapons looted from police and army depots.

President Sali Berisha, meanwhile, persists in exercising his authority through political repression and brute force. In the chaotic aftermath of Albania's emancipation from communism in 1991-2, the United States was instrumental in promoting the virulently anti-communist Mr Berisha to the position he now commands. These days, the US has become increasingly vocal in its criticisms and Mr Berisha, according to political sources, has branded Washington an enemy along with the many others - foreign journalists, opposition leaders and intellectuals pushed into exile.

The deeper the crisis grows, the more Mr Berisha resembles Albania's old Stalinist dictator, Enver Hoxha, as he turns ruthlessly on colleagues he no longer trusts, blames his problems on conspiracies and promotes himself as

the only true champion of the people.

Although he hates to be reminded of the fact, Mr Berisha owes many of his deeper political instincts to Hoxha's peculiar brand of Stalinist isolationism. He served as Hoxha's personal heart doctor, giving him privileged access and influence in the years up to the old man's death in 1985, and served as a Communist Party secretary for more than two decades.

He was close to Hoxha's successor, Ramiz Alia, and only joined the anti-communist movement on impulse after Alia had sent him to break up an anti-government demonstration at Tirana University.

Now the students are in ferment again, but this time Mr Berisha is on the other side of the fence. For five years he has been portraying himself as a man of the people, at ease in crowds and charismatic on a speaking podium (an echo, perhaps, of Hoxha's claim to be "knee to knee" with his fellow Albanians).

As the population has turned against him, however, Mr Berisha has been forced to concoct ever more conspiracy theories, blaming the former Communist secret police, the Socialist opposition, murky terrorist groups and now these supposed "foreign agents".

The state of emergency is a coup in reverse, an attempt to crush the rebellion before it crushes him. The use of force is highly dangerous, not least because of the potential for spill-over into Kosovo, Macedonia and the wider Balkans.

The lawlessness of a Colombia or a Somalia has landed in the middle of our continent. The calamity should have been foreseen, but wasn't. And now we will all have to find a way to deal with it.

Leading article, page 17



A masked man firing into the air in Vlorë, where the government has lost all control

Photograph: AP

Berisha sacks army chief as rebellion continues

Emma Daly
Tirana

The state of emergency imposed in Albania two days ago has exacerbated fear in the capital, Tirana, but has done little to quell the anti-government rebellion in the south, where several towns have fallen under the control of angry citizens.

The army chief of staff, whose troops proved powerless to confront rioters armed with weapons looted from barracks, was yesterday sacked by the president, Sali Berisha, and replaced with a trusted presidential adviser.

Tanks were filmed moving towards the towns of Vlorë and Gjirokastër, but police, who have joined the military effort, stopped foreign journalists from reaching the region, and therefore there are no accounts of what might have happened.

Rebellious civilians in the southern towns of Saranda - who were said by Greek television to be armed with anti-tank weapons - held a rally and announced their intention to set up a parallel city council in opposition to the mayor, who is close to Mr Berisha's ruling party.

Britain's link to regime

In a letter to *The Independent* Sir Reginald Hibbert, the distinguished diplomat and wartime Special Operations officer, spells out the central role of the Tory politician Lord Amery in forging links between the British establishment and the regime of Sali Berisha in Albania. Page 17

the port of Vlorë, bringing the death toll there to 18 since Friday. The government claimed yesterday that four others in the town were "executed by terrorists" on Monday as they tried to comply with an official demand to surrender all weapons.

An Albanian military jet landed at Italy's Galatina military airport near the city of Lecce, in Puglia, just across the Adriatic Sea from Albania. The pilot and co-pilot reportedly asked for political asylum.

Police set numerous roadblocks around Tirana in an attempt to stop the spread of violence that began in January with riots sparked off by the collapse of the pyramid schemes in which many Albanians had invested life savings. The discontent has grown into a mass movement against Mr Berisha

and many Albanians fear it may explode into civil war. The president had already sacked the government and yesterday added a new scapegoat, the army chief of staff. "Soldiers bear direct responsibility for not taking measures to defend the bases from rioters," said a government statement published in the ruling party newspaper, which appeared on Tirana newstands yesterday.

The offices of *Gazeta Shqiptare*, by contrast, sat silent and empty of equipment, which was removed by staff after the

offices of an opposition daily paper were torched by secret policemen. The *Gazeta*, an independent daily, has not been published for two days: under the emergency laws all news reports are supposed to be passed by an official censor and all businesses must close by 3pm. The paper has not been shut down in theory but in practice it cannot operate. Its staff are now stockpiling on food.

The superficial calm in the capital hides much anxiety about the future. "Tirana is terrified," a *Gazeta* supporter said.

London — President Sali Berisha must work with the opposition to resolve his country's crisis, Malcolm Rifkind, the Foreign Secretary, said yesterday, pledging to discuss international action with its European Union partners. AP writes. Javier Solana, the Nato secretary-general, said the situation in Albania is not one for military intervention by Nato or anyone else. He said Nato's intervention in Bosnia had created expectations that the organisation might intervene in any crisis, which is not the case.

INDEPENDENT FANTASY FOOTBALL

LATEST RESULTS AND TOP 50 TEAMS

TOP FIFTY LEAGUE TABLE

CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 23 FEBRUARY

POS	NAME	TEAM	POINTS
1	MR PETER FRANKENTHAL	JOSI MARTI	762
2	MR SIMON LIU	DEFENCE ROVERS	735
3	MR ASHLEY BRETTE	RELEGATION 12	728
4	MR WILLIAM BARR	KRUEGER FC	724
5	MR PETER FRANKENTHAL	ARLENSIU	722
6	MR GRAHAM LONGSDANE	SANDLING STROLLERS	722
7	MR GARFIELD MCCULLEN	GARFIELD BOYS SECOND	719
8	MR RICK VAP	OUT OF MIND	718
9	MR IAN GROUT	SILK CITY	717
10	MR BILT COOPER	YEP HOG 2000	713
11	MR PAUL MATTHEW	THE DOOR MAT	713
12	MR KEITH HARRY	ORGANIC MANURE FC	712
13	MR JONN COX	SOUTHILL FC	711
14	MR SEAN BROSANAN	OASIS	710
15	MR S KING	CRUISING ALEXANDRA	710
16	MR J GOWIN	NORWOOD	710
17	MR SIMON DRAPER	PLATE FC	709
18	MR GARY HARROWS	101 STARS	708
19	MR A MORGAN	KICK STAR	707
20	MR NICK KNIGHT	KNIGHTS NANA HEAD	705
21	MR DARREN NICHOLAS	EDNA	704
22	MR STEPHEN MATTHEWS	IMPERIAL STATES	704
23	MR E J HETHERINGTON	BETRIC	704
24	MR HOME	THE FLYING FOXES	703
25	MR SCOTT MCINERNEY	702	
26	MR PAUL RICHARDSON	CINCINATI STORM	702
27	MR ANDY LANE	IF ANYONE CAN TOUCAN	702
28	MR ROBERT GREENFIELD	THE GULLS	702
29	MR M GREGGSON	LITTLEBARS	701
30	MR JONATHAN FURNES	REDSTAR CARDIFF	700
31	MR ADAM HOGG	BLAGGY HOGG	699
32	MR O J JOHNSON	THE AWAY WINNERS	699
33	MR P HEMMINGWAY	WAGON WHEELS	698
34	MR WOODHOUSE	LEE BURNS CHEST	698
35	MR K B MALCOLM	INTER MALCOLM	698
36	MR R RENNICK	WILD ROVERS	697
37	MR STEVEN HART	KEE'S COWBOYS	696
38	MR STEVE GILL	MORE POINTS THAN SOTON	695
39	MR ANDY SWANNEY	DOG 5 BRICKS	694
40	MR D R KENNEDY	HAMMERS UTD	693
41	MR R PRINGLE	DEEPALE VILLA 7	692
42	MR JONATHAN MCCROSSEN	WASH TOP ARMY	692
43	MR P CURRAN	692	
44	MR TIMOTHY MARRIOT	691	
45	MR JOE GOODING	TEAM SQUIDLIPS	691
46	MR PAUL FULLWOOD	KING OF HOBBIES FC	691
47	MR LAN COOPER	ATHLETICO ARMCHAIR	691
48	MR DAVID MAHER	THE ELITE OF THE ELITE	691
49	MR KRISTOV BAERWALD	TOM AND PHILIP	691
50	MR IVAN HOOD	EASTGATE ROVERS	689

THE INDEPENDENT INDEPENDENT ON SUNDAY

Today we publish the latest results in our Independent Fantasy Football game, supported by Philips Energy Saver Light Bulbs.

The Team Market and Scores table published below, shows four scores. The Week 29 (Wk 29) column lists all points scored in Premiership matches played between Monday 24 February - Sunday 2 March inclusive. Column B lists all points scored before the transfer period. Column A lists all points scored after the transfer period. The Overall (Ov) column lists the total amount of points scored in all matches played from Saturday 17 August - Sunday 2 March. Also published today is the Top 50 League table (see left). It lists the overall top scoring Independent Fantasy Football managers and their teams for matches played between Saturday 17 August - Sunday 23 February.

Results will be published every Wednesday in *The Independent* for all games played from the previous Monday to Sunday inclusive. They will also appear the following Sunday, in the Independent

SCORING SYSTEM

4 points for a goal ■ 4 points for a goalkeeper/defender clean sheet ■ 3 points for a successful assist ■ 1 point when a player is selected and plays ■ 1 point for a winning goal ■ 3 points for a manager win, 1 point for a draw ■ Lose 1 point for a yellow card ■ Lose 3 points for a red card

TEAM MARKET AND SCORES

OVERALL SCORE CALCULATED ON MATCHES PLAYED FROM 17 AUGUST - 2 MARCH; WEEK 29 SCORE CALCULATED ON MATCHES PLAYED FROM 24 FEBRUARY - 2 MARCH

CODE	PLAYER	TEAM	POINTS	VALUE	CODE	PLAYER	TEAM	POINTS	VALUE	CODE	PLAYER	TEAM	POINTS	VALUE	CODE	PLAYER	TEAM	POINTS	VALUE			
Wk 29	B	A	Ov	(£m)	Wk 29	B	A	Ov	(£m)	Wk 29	B	A	Ov	(£m)	Wk 29	B	A	Ov	(£m)			
301	Seaman	ARS	0	28	47	5.9	477	Ruddock	LIV	0	2	31	33	3.0	649	Stimpson	DER	0	15	5	20	12
302	Bosch	BLA	0	19	26	4.2	478	Scates	DER	0	1	6	3	0.4	650	Asanovic	DER	0	5	19	35	2.2
303	Adams	ARS	0	19	26	4.2	479	Hartley	LIV	0	1	6	3	0.4	651	Derby	DER	0	4	5	16	1.6
304	Waters	BLA	0	19	26	4.2	480	Neville (F)	MU	0	1	8	16	2.4	652	Whitely	COV	0	4	4	8	1.9
305	Elphick	CHE	0	11	21	2.7	481	Palmer	MU	0	1	8	16	2.4	653	Whitely	COV	0	3	3	8	1.1
306	Hickcock	ARS	0	11	21	2.7	482	Palmer	MU	0	1	8	16	2.4	654	Whitely	COV	0	3	3	8	1.1
307	Zentgraf	ARS	0	11	21	2.7	483	Palmer	MU	0	1	8	16	2.4	655	Whitely	COV	0	3	3	8	1.1
308	Filani	ARS	0	11	21	2.7	484	Palmer	MU	0	1	8	16	2.4	656	Whitely	COV	0	3	3	8	1.1
309	Wright	ARS	0	11	21	2.7	485	Palmer	MU	0	1	8	16	2.4	657	Whitely	COV	0	3	3	8	1.1
310	Stannard	LEE	0	11	21	2.7	486	Palmer	MU	0	1	8	16	2.4	658	Whitely	COV	0	3	3	8	1.1
311	James	LIV	0	11	21	2.7	487	Palmer	MU	0	1	8	16	2.4	659	Whitely	COV	0	3	3	8	1.1
312	Wright	LIV	0	11	21	2.7	488	Palmer	MU	0	1	8	16	2.4	660	Whitely	COV	0	3	3	8	1.1
313	Hunt	LIV	0	11	21	2.7	489	Palmer	MU	0	1	8	16	2.4	661	Whitely	COV	0	3	3	8	1.1
314	Wright	LIV	0	11	21	2.7	490	Palmer	MU	0	1	8	16	2.4	662	Whitely	COV	0	3	3	8	1.1
315	Wright	LIV	0	11	21	2.7	491	Palmer	MU	0	1	8	16	2.4	663	Whitely	COV	0	3	3	8	1.1
316	Wright	LIV	0	11	21	2.7	492	Palmer	MU	0	1	8	16	2.4	664	Whitely	COV	0	3	3	8	1.1
317	Wright	LIV	0	11	21	2.7	493	Palmer	MU	0	1	8	16	2.4	665	Whitely	COV	0	3	3	8	1.1
318	Wright	LIV	0	11	21	2.7	494	Palmer	MU	0	1	8	16	2.4	666	Whitely	COV	0	3	3	8	1.1
319	Wright	LIV	0	11	21	2.7	495	Palmer	MU	0	1	8	16	2.4	667	Whitely	COV	0	3	3	8	1.1
320	Wright	LIV	0	11	21	2.7	496	Palmer	MU	0	1	8	16	2.4	668	Whitely	COV	0	3	3	8	1.1
321	Wright	LIV	0	11	21	2.7	497	Palmer	MU	0	1	8	16	2.4	669	Whitely	COV	0	3	3	8	1.1
322	Wright	LIV	0	11	21	2.7	498	Palmer	MU	0	1	8	16	2.4	670	Whitely	COV	0	3	3	8	1.1
323	Wright	LIV	0	11	21	2.7	499	Palmer	MU	0	1	8	16	2.4	671	Whitely	COV	0	3	3	8	1.1
324	Wright	LIV	0	11	21	2.7	500	Palmer	MU	0	1	8	16	2.4	672	Whitely	COV	0	3	3	8	1.1
325	Wright	LIV	0	11	21	2.7	501	Palmer	MU	0	1	8	16	2.4	673	Whitely	COV	0	3	3	8	1.1
326	Wright	LIV	0	11	21	2.7	502	Palmer	MU	0	1	8	16	2.4	674	Whitely	COV	0	3	3	8	1.1
327	Wright	LIV	0	11	21	2.7	503	Palmer	MU	0	1	8	16	2.4	675	Whitely	COV	0	3	3	8	1.1
328	Wright	LIV	0	11	21	2.7	504	Palmer	MU	0	1	8	16	2.4	676	Whitely	COV	0	3	3	8	1.1
329	Wright	LIV	0	11	21	2.7	505	Palmer	MU	0	1	8	16	2.4	677	Whitely	COV	0	3	3	8	1.1
330	Wright	LIV	0	11	21	2.7	506	Palmer	MU	0	1	8	16	2.4	678	Whitely	COV	0	3	3	8	1.1
331	Wright	LIV	0	11	21	2.7	507	Palmer	MU	0	1	8	16	2.4	679	Whitely	COV	0	3	3	8	1.1
332	Wright	LIV	0	11	21	2.7	508	Palmer	MU	0	1	8	16	2.4	680	Whitely	COV	0	3	3	8	1.1
333	Wright	LIV	0	11	21	2.7	509	Palmer	MU	0	1	8	16	2.4	681	Whitely	COV	0	3	3	8	1.1
334	Wright	LIV	0	11	21	2.7	510	Palmer	MU	0	1	8	16	2.4	682	Whitely	COV	0	3	3	8	1.1
335	Wright	LIV	0	11	21	2.7	511	Palmer	MU	0	1	8	16	2.4	683	Whitely	COV	0	3	3	8	1.1
336	Wright	LIV	0	11	21	2.7	512	Palmer	MU	0	1	8	16	2.4	684	Whitely	COV	0	3	3	8	1.1
337	Wright	LIV	0	11	21	2.7	513	Palmer	MU	0	1	8	16	2.4	685	Whitely	COV	0	3	3	8	1.1
338	Wright	LIV	0	11	21	2.7	514	Palmer	MU	0	1	8	16	2.4	686	Whitely	COV	0	3	3	8	1.1
339	Wright</																					

Battle of Gorleben sounds the death-knell for Continent's dreams of a fission-fuelled future



Critical mass: German riot police fighting with anti-nuclear protesters during violent demonstrations near Dannenberg yesterday

Photograph: Reinhard Krause/Reuters

Atom convoy diverted as German Swampys tunnel under road

Imre Karacs
Gorleben

A watch-tower with reflector lights guards over Camp Gushorn on the front line separating nuclear power from the people. A sign reminds inmates of an alcohol ban, and instructs them to keep dogs on a lead.

You might think this curfew is a joke. It is not. Camp Gushorn is the creation of the "nuclear state", synonymous in Gorleben mythology with the "police state". In reality, Camp Gushorn's tents provide temporary shelter for 1,200 autonomists, anarchists and drop-outs, unsure of their ideology, who set the rules themselves.

Judging by the empty beer bottles and the vacant expressions on the faces of some residents, the ban on alcohol and

drugs is flexible. But in all other respects the tenants are a faithful reflection of German society, straining to maintain a semblance of order even on the brink of anarchy.

They sort their rubbish - tucking it away neatly in bags of different colours - and in the evenings endeavour to keep the noise down. These are Swampys' German cousins - militant environmentalists who have been digging trenches under a road in an effort to stop nuclear waste reaching its "medium-term" destination.

Ever vigilant of the "police state", they have no names, and cover up the number-plates on their cars. Most of them are young with exotic but clean hairdos, sporting aggressive badges and a disarmingly mild manner.

"I came here from Bremen because I'm against nuclear power," says a 17-year-old girl. She does not know who runs the camp, has not the faintest idea where the food that is served up to her comes from, and questions about political parties draw a blank. She is here to force the "censors" - the nuclear waste containers - to turn back.

A 22-year-old man from Berlin is here "because of the nuclear shit," and also "because this is a great place to meet people". He is unemployed, but couldn't care less about that, or politics or anything else other than nuclear power. Asked to comment on the government's policies, he politely declines.

There are about ten camps nestling among the forests, all

with slightly different tasks and inhabitants. Near the nuclear site at Gorleben are lesbians who will only participate in single-sex protests. Their neighbours are the protesters' crack troops, the "Dykes on Bikes", who can be despatched to trouble-spots at short notice.

At the Spillat Camp near the railway terminal of Dannenberg, the emphasis is on passive resistance. At the other extreme, hooded youths dressed in black lurk, hiding their time. These veterans of public disorder, present at every demonstration whatever the cause, will be throwing the stones and Molotov cocktails if trouble flares today.

Gushorn is about one third of the way along the road linking Dannenberg, where the nu-

clear waste was loaded on to trucks yesterday morning, and Gorleben, the atomic cemetery.

The Gushorn residents were asked by organisers to make the road impassable and by yesterday morning had completed the task.

"The road is kaput," said a picket bursting with pride, and he was not exaggerating. For a distance of about half a mile, tunnels had been dug under the tarmac at 30 yard intervals, turning a solid highway into a series of flimsy pontoon bridges.

The excavated earth is heaped on top of the asphalt, the clumpy barricades reinforced at intervals with bits of concrete and the gaps filled with bales of straw which can be lit as the convoy approaches.

The 100-tonne lorries will not come this way, however, thanks to Camp Gushorn. The tent dwellers, their jobs well done, were loafing about yesterday awaiting new instructions.

With their road out of action, the attention of police and protesters alike switched to one of the few alternative routes, a mile north of Gushorn. Here, along the so-called Quickborn route, a thousand activists tried to seize the road yesterday afternoon, but were driven back at every attempt.

Last night, convoys of police vans, prison lorries and water cannons were racing towards Dannenberg as the final battle loomed. The trucks carrying the nuclear waste are less than 20 miles from Gorleben, but their journey will not be simple.

Nicholas Schoon
Environment Correspondent

Nuclear power may well be gone from the European Union within the next 30 years. Across the 15 member states, this controversial energy source is now nearly a decade into a gradual but apparently terminal decline.

Only the French are still building new atomic power stations. But even France has a moratorium on any fresh construction starts until 2000.

No other nation has any realistic, government-endorsed plans for new reactors. The main reasons for the rejection are the expense compared with other forms of electricity generation (mainly coal, oil and gas) and public fears about safety.

In nearly 40 years of civil nuclear power in Western Europe, there has been not been a single disaster. The only serious accident happened in Windscale, Cumbria in 1957, when a military reactor used to make plutonium for Britain's nuclear weapons caught fire. And yet there are still fundamental, unanswered questions about how to deal with nuclear power's radioactive wastes, which remain lethal for tens of thousands of years.

"I can't conceive of the circumstances for any new orders," said Steve Thomas, an energy researcher at Sussex University's Science Policy Research Unit. "The technology is now 20 years old and the regulators will want something a lot better. And who would pay?"

More than one-quarter of Europe's electricity comes from nuclear plants - three-quarters in the case of France. It therefore cannot be shut overnight.

Across the continent, operators are seeking to keep their ageing reactors going for as long as safety regulators and governments allow them - 25, 30, maybe 40 or more years - in order to recoup the massive building investment and delay the high costs of decommissioning.

In a 1980 referendum, Sweden voted to abandon nuclear power.

or. The plan was to close the first of the 12 plants in 1985 and the last by 2005. But so far not one has shut and the date of final closure has been put back to 2010. France has 57 functioning nuclear power stations; it has a surplus of electricity and nuclear-generated power is one of its larger exports. Next comes Germany with 19 operational stations, producing some 30 per cent of its electricity. The last order for a new plant was made 15 years ago, and three plants have shut.

In a European nuclear industry dominated by state-owned utilities, the United Kingdom is unusual. Most of its 14 plants have now been sold to the private sector, along with the rest of the electricity industry, and private industry sees no way of building economically viable new reactors.

Italy's three nuclear power stations were killed off after a 1987 referendum came down

6 No nation but France has any realistic plans for new reactors

against atomic energy. Spain abandoned construction of four plants in 1984, but it still has nine operating plants providing one-third of the country's electricity, and one which has closed. Austria only ever built one station, and that never went into operation because of a referendum rejection.

Belgium has seven plants and gets about half of its electricity from nuclear power while Finland, with four plants, is 30 per cent fission-powered. The Netherlands has two small plants operating. None of Portugal, Ireland, Greece, Denmark, and Luxembourg ever went nuclear.

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Peasants pay with their lives in secret war against Zapatistas

Assassinations, kidnappings and torture are turning Chiapas into a powder keg, writes Phil Davison in San Cristobal de las Casas

With Mexico's Zapatista guerrillas trapped in the Lacandon jungle, the Mexican government and army is waging a "secret, low-intensity war" against suspected Zapatista supporters, mainly poverty-stricken Indian peasants.

Human rights officials say paramilitary groups, armed and backed by the military and police, have assassinated an average five peasants a day over the last few months in the south-eastern state of Chiapas, where the Zapatista rebels rose up in 1994 and have widespread support.

Peasants have also been thrown off their land, detained and tortured if they are suspected of even sympathising with the Zapatista National Liberation Army (EZLN), the officials say.

The incidents have turned Chiapas, particularly the northern part of the state, into a powder keg. Locals talk of the potential for civil conflict in the run-up to nationwide legislative elections in July. Communities are split between support for Mexico's ruling Institutional Revolutionary Party (PRI) of President Ernesto Zedillo and the centre-left Party of the Democratic Revolution (PRD), which backs the social aims of the Zapatista rebels.

The presence of tens of thousands of troops in the state has added to the tension.

In the community of Agua Blanca, troops and police recently arrived by helicopter to harass women working in coffee plantations, according to one eyewitness. The security forces, known to locals as the BOM (an acronym for Joint Operation Force), said they were looking for weapons. When they found none, they forced the women to pose with the army or police rifles, the witness said.



Cover up: Zapatista guerrillas, headed by Comandante Tacho (centre), leaving San Cristobal for a meeting in La Realidad village Photograph: Popperfoto/Reuters

It was not clear whether the BOM detained any of the women or were simply threatening them with future arrest if they had anything to do with the Zapatistas.

"The frontline war lasted only 12 days with the Zapatista uprising of January 1994," said Pablo Romo of the Fray Bartolome Centre, a leading independent human rights group which defends Chiapas's native Mayan Indians. "Now, it is a secret war of low intensity, a psychological war. There have been bombings, kidnappings and shootings aimed at suspected

EZLN sympathisers, human rights groups or social workers."

At least 16 firebombs or molotov cocktails have been thrown at the offices of human rights groups in San Cristobal over the past five weeks. A leading human rights activist, Javier Lopez Montoya, was kidnapped with his wife and children last November and has not been seen since.

A colleague of Mr Romo at the Fray Bartolome Centre, Jose Montero, was wounded in the arm when gunmen in civilian clothes opened fire on his car last month. Mr Montero said

he saw uniformed police with the gunmen.

Mr Lomo and Mr Montero say they are in no doubt that the gunmen belonged to the so-called Paz y Justicia (Peace and Justice) group which they describe as paramilitary. The group is made up of hardline PRI supporters, led by the party's legislator in Chiapas, Samuel Sanchez, and reportedly armed and backed by the army and police.

Ex-members of Peace and Justice were quoted here this week as saying they had been given military training and were

told to "do away with the Zapatistas".

Peace talks between the Mexican government and the EZLN have been stalled since last September. The guerrilla leader, Subcomandante Marcos, known for his black balaclava and pipe, remains in hiding in the Lacandon jungle east of here with several hundred men. His supporters believe he is planning a new operation, more likely to be a propaganda coup than a military assault.

While he himself has not been seen for weeks, his image

is everywhere in San Cristobal. You can buy a Marcos T-shirt for £4, a Marcos balaclava for £1, a Marcos-doll key ring for 40p or a Marcos clock for £5.

And on the edge of the jungle, his men still rule the roost although they are blocked by the army from moving west. One of Marcos's top aides, Comandante Tacho, organised a culture show in rebel-controlled territory this week which featured US folk-rock group The Indigo Girls and a group of American Indians who performed a fire dance in support of the Zapatistas.

significant shorts

Deng 'regretted' attack on Tiananmen protesters

Deng Xiaoping bitterly regretted the brutal crushing of pro-democracy demonstrations in Tiananmen Square in 1989, according to Chinese sources quoted yesterday by the Japanese Kyodo news agency.

The late Chinese leader, who was head of the Central Military Commission on the day troops opened fire on unarmed protesters, 4 June 1989, was quoted as saying that the action was "the most regrettable event" of his life.

According to Kyodo's unnamed Chinese sources, Deng said he had been forced into a harsh response to the demonstrators.

"We couldn't help at the time but take the most active response," Deng is alleged to have said. Agencies - Tokyo

'Brain destruction' by junta

Ethiopia's former Marxist rulers made a deliberate effort to destroy educated people in the country, a witness said in a genocide trial. The witness was testifying at the trial of 71 former Ethiopian Marxist officials accused of genocide and crimes against humanity. All 71 could be sentenced to death if found guilty. "I am of the opinion that killings undertaken by the Dergue, the military junta in Ethiopia, were aimed at a brain destruction," the witness, a former educator who cannot be named under court rules, told the court.

Reuters - Addis Ababa

Cambodia murder arrests

Three members of Cambodia's largest opposition party have been arrested in the murder of Second Premier Hun Sen's brother-in-law. The arrests could raise tensions between Hun Sen's former communist Cambodian People's Party and its most vocal critic, the Khmer Nation Party, a key member of a political alliance challenging the CPP in elections next year.

AP - Phnom Penh

Bullfight fiestas go ahead

Eager to avoid cancelling two of Spain's most famous bullfighting festivals, the industry's main federation agreed yesterday to end a two-day old strike that had put the country's "national fiesta" on hold.

The federation's decision means bullfight fans will be able to enjoy the rest of this week's Magdalena Festival in Castellon and the Las Fallas festival in Valencia, which begins on Friday. The festivals are the first major events of Spain's bullfighting season.

AP - Madrid

Nigerians charged with sedition

Eight lecturers at the University of Nigeria, Nsukka, have been charged with sedition and arson and face possible life sentences if convicted, the independent Vanguard newspaper said.

The eight, including a professor, were among 18 people detained last month after student riots. Reuters - Lagos

Women wear the trousers again

The Brazilian Senate has lifted a 17-year ban on women wearing slacks in the legislative chamber. The spokesman said the upper house's new president, Senator Antonio Carlos Magalhães, who took over at the start of the legislative year in mid-February, had ended the trouser prohibition because it "no longer made any sense".

"Trousers were banned for women in the Senate in 1980 and they were required to wear dresses and skirts. It's not quite clear why," he said.

Reuters - Brasilia

Civilians emerge after army's rape of Kindu

Matthew Tostevin
Reuters

Kindu, Zaire — Hundreds of people emerged from forest hideouts around the looted eastern Zairean town of Kindu yesterday, days after Zairean soldiers retreated and rebels captured it.

Kindu, most of which is on the western bank of the broad, rust-red Zaire river, was looted by retreating soldiers last week and next by civilians who stole anything left. Residents told journalists they were flown in by the rebels aboard a DC-3.

Hundreds of people with belongings piled on their heads came out of forest hideouts and trekked past the airport and into town, saying they fled looting as well as fighting.

There were no visible signs of battle at the airport and much of the town was scarred more by looting than by bullets.

"Everyone joined in. All I took was a carton of mineral water," said Joseph Baroani in Kindu, which residents said was captured by rebels who crossed the river in boats on Saturday night.

They said that after Zairean troops left, along with five white mercenaries, including two who spoke French, Kindu was defended by a 177-strong contingent of former Rwandan Hutu soldiers.

One of the mercenaries had been shot in the leg, they said. Pascal Mwimba, head of the Zaire Red Cross in Kindu, said 11 former Rwandan troops were killed in fighting for the

town and three children were killed when a mortar bomb hit their home.

Mr Mwimba said the town was short of food and drugs. "Everything was looted. In the hospital we don't have any drugs or equipment, not even aspirin," he told reporters.

About a quarter of the stalls in the main market were open and cheering women showered visiting journalists with rice, saying they were pleased that the fighting was over.

"As you can see, there is no doubt that Kindu has been liberated," Jacques Lukumani, the new rebel information commissioner in Kindu, told reporters at the town's airport.

"Two-thirds of the people who fled are still in the forest, and only now are they coming

out. Most of my family is still there," said student Muinyi Soumaili as she walked back home.

Rebel officers said they captured most of Kindu on Sunday and Zairean troops scattered into the forest and headed west.

Kindu is 200 miles west of the border with Rwanda and 250 miles south of Kisangani, the capital of north-eastern Zaire and centre for army operations in the region.

"What the Zairean soldiers did was terrible. We are very happy to have been liberated," said Masengo Masongo, a resident of Kindu.

The rebels said on Friday that they had seized part of the town but the claim was denied by the Defence Ministry in Kinshasa.

Salvage team set fair to identify Blackbeard's ship

Rupert Cornwell
Washington

There is almost certainly no pirate's treasure — no pieces of eight nor gold doubloons — to be found in the 18th-century wreck just off the North Carolina coast, but that does not stop American marine archaeologists from calling the long-lost ship the most important discovery of its kind in 20 years.

And small wonder. The vessel, they believe, is what remains of the *Queen Anne's Revenge*, the flagship of the notorious pirate Blackbeard, which foundered on a sandbar at the entrance of Beaufort Inlet harbour in June 1718.

"We haven't absolutely identified it," said Jeffrey Crow, the head of North Carolina's Department of Cultural Resources, which oversaw the project, "but all indications are that this is the *Queen Anne's Revenge*".

Among those indications, retrieved by divers working in



Pirate vessel: A replica of *Queen Anne's Revenge*, shown at the press conference yesterday Photograph: Reuters

minimal visibility, is a foot-tall brass bell bearing the date 1709, the barrel of a cannon, a lead sounding-weight and a blunderbuss, the short-barrelled muzzle-loading firearm of the era.

"The artefacts are in good shape, and there's a pile of

cannon still down there," Mike Daniels, one of the divers, said.

The find is the climax of a decade's search at a site first suggested by a map in a 1719 book recounting a pirate trial.

Finally, the archaeologists hit on a small piece of wood sticking up from the sand, perhaps

exposed by last autumn's hurricanes in the region. All being well, much more of the vessel is still intact under a protective layer of sand.

However, according to historical documents, the pirate took the treasure from the wreck before he left for shore.

Blackbeard, whose real name was Edward Teach, is legendary for his swagger and for his gargantuan appetites, but above all for his cruelty and brutality.

Between 1716 and 1718 he terrorised the Caribbean and the coasts of the Carolinas — until the *Queen Anne's Revenge* ran aground as it returned from a week's blockade of Charleston, 250 miles to the south.

The pirate would only outlive his ship by five months. On 22 November 1718 he was killed by English troops in a battle at Ocracoke in the North Carolina barrier islands, and his head displayed from the bowsprit of a ship.

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— SCOTLAND —

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"We take care of people.
That's why our alliances succeed."

China's Muslims sharpen knives against Peking

Nicola Beckley

The bombs in the western Chinese province of Xinjiang in recent weeks, have hit the world headlines. But the violence and tensions – including the latest blast, reported yesterday – are nothing new in this volatile region. During the Islamic festival of Korban last April, when each household sacrifices a sheep, a bloody and dramatic event took place, which remained unreported. Nine regional separatists surrounded the country home of a local Uighur leader in the town of Kuqar. They threw a grenade through the window before storming the house. Finding the man inside with his wife, his younger brother and brother's wife, they cut out the tongues of all four and slit their throats. Thus the traitors were silenced.

The leader was accused of "letting down the Uighur people and failing to properly represent them". In other words, he was judged to be a tool of the Chinese government.

The army was at the scene almost immediately. Finding themselves surrounded, the nine men blew themselves up with grenades.

In the wake of the killings, official documents urgently recommended that the new railway planned to link Urumqi, the capital of Xinjiang, to Kashgar in the Uighur heartland of the south be completed within the next three years. Large numbers of Han Chinese – the dominant, "mainstream" Chinese – were to be moved into the area to stabilise unrest. The document warned: "So far we have been too soft on the locals. From now on, we will start to get tough."



Culture clash: An elderly Uighur man hobbling past a statue of Chairman Mao in Kashgar, to which Han Chinese head in their thousands

Photograph: Nicola Beckley

Nationalists say they planted bus bombs

Yuri Kushko, Reuter

Almaty — Muslim Uighur nationalists claimed responsibility yesterday for a series of bus bombings last week in north-western China and for a similar, previously unreported attack on Monday. A Chinese government official in the restive region of Xinjiang denied there had been a new blast on Monday, however.

A spokesman for Uighur exiles said in Almaty, capital of neighbouring Kazakhstan, said the acts were in reprisal for deaths and arrests during a Chinese clampdown on the separatist movement over the past month.

"We intend to continue our struggle," he said. "The explosion in the bus near the town of Kuldji (Yining) ... was our act of revenge for the crimes of the Chinese authorities," Mr Mukhlisi said.

Mukhlisi added, saying three exile groups had joined forces after police and army killed 127 Uighurs and arrested hundreds more.

An official in Urumqi, capital of Xinjiang province, said at the weekend that seven people had died and 60 were hurt in three time-bomb explosions on buses in the city on 24 February, coinciding with funeral rites for Chinese leader Deng Xiaoping.

Mr Mukhlisi said he did not know how many victims there were in the latest attack on Monday on a bus travelling to Urumqi from Yining, near the Kazakh border. The blast occurred 120km (75 miles) east of Yining, he said.

"The explosion in the bus near the town

of Kuldji (Yining) ... was our act of revenge for the crimes of the Chinese authorities," Mr Mukhlisi said.

However, a government official in Yining said by telephone: "It's peaceful here. There was no new bomb attack."

A spokesman for Uighur exiles in Russia, Sargari Tarym, said last week in Moscow: "We think Deng's death will bring a power struggle within the Chinese elite. If that happens, the independence movement in Turkestan will intensify."

Mr Mukhlisi said Felling had launched a "hundred days anti-separatist campaign" against Uighur nationalists who want to establish an independent "East Turkestan" homeland.

ethnic opposition among intellectuals in the modernising north of Xinjiang. So who will be the champions of the cause for Uighuristan, the long-awaited homeland of the once-nomadic Muslim Uighurs?

The older generation are too scared of the repercussions and of a return to worsened poverty and famine. They still bear the scars of Mao Tse-tung's Great Leap Forward and the Cultural Revolution. They shrink from the anger growing in their children and look on anxiously. In the words of one Uighur: "Young people are unable to look ahead. We older ones can see things in the long term. We're not so impetuous."

It remains to be seen whether the younger ones can overcome traditional disagreements between oasis towns, and between north and south. A migrant worker from Aksu living in Urumqi believes they can: "When it comes to the crucial hour, Uighurs will come together."

Meanwhile, long lines of Chinese army trucks rumble regularly along country roads between Aksu and Baicheng deep in the south. In Xinjiang, nobody forgets who is in charge.



Contract Food and Management Services - Remote Site Management - Service Vouchers - Leisure Services

An Alliance of Achievement

Highlights of Chairman Pierre Belon's message to the Annual Meeting of Sodexo Shareholders on February 25, 1997.

1 - IN FISCAL 1995/96, SODEXO MAINTAINED GROWTH IN SALES, REPORTED GOOD EARNINGS AND EXCEEDED OBJECTIVES FOR THE YEAR.

	At Aug. 31, 1996	% Growth
Consolidated sales (in millions of French francs)	24,961	36.1%
Operating income (in millions of French francs)	1,124	50.4%
Consolidated net income less minority interests (in millions of French francs)	685	—
Number of shares in issue	7,371,190	5%
Earnings per share (in French francs)	92.92	125%
Number of units	13,512	—
Employees	141,119	—

(1) Of which 24 percent due to the consolidation of Gardner Merchant over 12 months (2) Of which 33 percent due to the consolidation of Gardner Merchant over 12 months (3) Of which 284 million in non-recurring items (4) Including Rarities, accounted for by the equity method.

II - OUTLOOK

For 1996/97, I indicated at the last Board meeting that, based on currently available data and assuming constant exchange rates, consolidated net income before exceptional items less minority interest should reach FF 500,000,000. This would represent growth of 25 percent, with earnings per share gaining 25 percent. Today, I can confirm this forecast.

Looking out to the medium-term, prospects are favorable for all of our businesses. Remote Site Management services, including those provided in French overseas departments and possessions, should account for around seven percent of consolidated operating income in 1996/97.

Service Vouchers have taken an increasingly important role in our earnings stream in recent years. In 1996/97, the business will contribute around 15 percent of consolidated operating income.

Leisure Services include river cruises and catering for some of the world's most prestigious events. The river cruises business is expected to contribute three percent of consolidated operating income in 1996/97.

Penalitary Institutions are managed primarily in the United States, but also in France and Australia. Excluding CCA, which is not consolidated, this business should represent around one percent of consolidated operating income.

Food and Management Services are our largest business, which will account for around 50 percent of 1996/97 sales and 74 percent of operating income for the period. Our objective is to strengthen our position as global market leader.

III - PATHS TO PROGRESS

All our businesses enjoy strong potential for expansion, but to transform this potential into actual growth in sales and earnings, we are pursuing the paths to progress defined four years ago.

- Continuously improve client satisfaction through a commitment to quality and innovation.
- Develop our human capital, by:
- Encouraging the emergence of entrepreneurs among our employees.

• Focusing sharply on hiring, training and motivating our unit managers.

• Enabling employees to share in the Group's financial performance.

• Strengthening managerial efficiency by:

• Enhancing and deepening strategic thinking.

• Using our size to lower the cost of purchased goods and services.

• Developing integrated management information systems.

IV - OUR GROWTH PHILOSOPHY

Our corporate mission is clear: to satisfy our clients, to meet the expectations of our employees and shareholders, and to participate in the economic and social development of our host countries.

• Organic growth

To carry out this mission, we are committed to increasing our sales and earnings, because growth provides for greater job security, allows us to promote from within and creates more shareholder value. Our primary strategic focus is on internal growth, but in recent years we have supported this development with external acquisitions and alliances.

• External growth (alliances and acquisitions)

Our international alliances

On February 1, 1995, the alliance with Gardner Merchant made us the world's largest contract food services group. On January 2, 1995, the alliance with Perma, Sweden's leading management services company, strengthened our position in the Nordic countries. In February 1995, we acquired an equity interest in Carpathia, Brazil's third largest service voucher issuer, which we now manage. This gave us access to what is today the largest voucher market in the world.

Our alliance philosophy

Sodexo operates in service activities which, while not very capital intensive, are highly people-intensive. Indeed, our growth is driven almost entirely by the skills and dedication of individual men and women. While it is possible to purchase factories, machines, processes and technology, you cannot buy the commitment, hearts and minds of a company's people.

This is why the experience gained by the Group in its external growth over the past five years has taught us to respect the history, culture and personalities of the individuals that join our corporate community. It is this philosophy that has guided our recent alliances and that will continue to guide us in the alliances to come.

To symbolize the reality and success of our international alliances, we have changed the name of the Sodexo SA holding company to Sodexo Alliance. As part of the changeover, we have also designed a new logo with five stars, representing our presence on the five main continents and the superior quality service provided by Sodexo's 141,000 employees around the world.

V - DIVIDEND

The dividend for 1995/96 has been set at FF 25.00 per share, net of tax credit, representing income of FF 30.00 per share including tax credit. It will be paid as of March 5, 1997. Total payout amounts to FF 182 million, a 24 percent increase from 1994/95. It corresponds to 48 percent of the consolidated net income before non-recurring items less minority interests reported for the year.

Our independence, our global reach, the quality of our teams, and our excellent financial position all provide us with important competitive advantages.

The Group's outlook is favorable and in the years to come, we foresee good growth in sales and earnings, as well as a steady increase in earnings per share.

Sodexo
ALLIANCE

For further information, please contact: Raphaël DURVILLE - Corporate Secretary
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Korean enemies gather for talks

Andrew Marshall

Seoul

New efforts begin today to end one of the Cold War's last remaining confrontations – the division of the Korean peninsula.

New York will be the venue for a meeting intended to kick off a series of four-party talks between North and South Korea, China and the United States. Today, South Korea and the US will detail their plans for the gatherings at a "briefing" meeting with North Korea. It has been difficult enough to get

Pyongyang to attend this meeting – it has cancelled twice; but a team of North Korean officials has already arrived, as has the team from Seoul, and the expectation is that the meeting will take place as planned.

The encounter comes at a time of maximum instability in North Korea. The death or departure from office of a number of key figures in the regime seems to indicate a power struggle as Kim Jong Il, son of long-time dictator Kim Il Sung, seeks to underpin his authority.

A senior defector from

Pyongyang, Hwang Jan-yop, is holed up in the South Korean embassy in Peking, with the North demanding that he be returned to Pyongyang and the South that he be allowed to go to Seoul, as he has requested. China said yesterday that it hoped the crisis could be resolved soon, and expectations are still high in Seoul that he will arrive in the next seven days.

The defection has sparked a war of words between Seoul and Pyongyang, with the South claiming that the death of Kim Il Sung resulted from a heart at-

tack after a violent row with his son. The North has riposted angrily, claiming that Seoul is acting provocatively.

There is clearly some nervousness in Seoul about the military situation, with security at government buildings increased and a security exercise underway yesterday. The North's economy is collapsing, with food due to run out in the spring and international food aid insufficient to fill the gap. China is reported by the South Korean media to have established shelters for fleeing North Koreans.

White ghosts fade as society takes on a new complexion

HONG KONG DAYS

The pony-tailed Briton, his T-shirt wet with alcohol, stumbled down the steps of Joe Bananas nightclub, close to the red-light district of Wan Chai, laughed and then stooped low and threw up noisily into the kerb.

The taxi driver nodded at him and snuffed. "Mah jahn-a (trouble)," he said, dismissively. "To think that 40 years ago they were beating us with sticks."

It is safe to say that Britain's place in Hong Kong high society is not what it was. Britons may be pouring into the colony to witness the setting of the sun on the last bastion of their empire, but as far as the social scene is concerned, the real handover has already happened.

Whereas 20 years ago Hong Kong's finest events were likely to be studded with the merchant princes of Jardines and Swires, the two great British hongks, Hong Kong Tailor laid today's situation bare with its 1997 "Guide to the Social Season".

Of its "500 most prominent people", white faces make up a little over 10 per cent, and only a handful are British. According to Ong Chin Huat, social editor of the magazine, the change has been swift. "I've been at Hong Kong Tailor for five years and I

was the first Chinese to be hired in the editorial department. The pictures then were 80 per cent expats and 20 per cent ... Chinese," he said. "When I arrived I was given a mandate to change it, to bring in more Chinese faces." Circulation, said Mr Ong, who is himself featured in the list, subsequently shot up.

"We change the top 500 every year because Hong Kong society is very dynamic, but a marker of one's position, 'Hong Kong Tailor' is very high society, like English Tailor ... We only feature the top, top people."

In fact, Hong Kong Tailor was a little too like the English Tailor – a fact that elicited a law suit and a subsequent out-of-court settlement. Even this has proved fortuitous. Now, instead of Tailor's distinctive British "spy" figure, Hong Kong Tailor's logo features a man in Mandarin robes – perhaps more politically correct in these times, in which, as legislator Christine Loh noted this week, "a sneeze from China matters more than 140,000 voices".

Perhaps tellingly, a large proportion of HK Tailor's 500 are said to have interests in, or "good relations with" China.

The movers and shakers are people like Li Ka Shing (the head of the Cheung Kong-Hutchinson group and second-richest man in the territory), or the Kuok family (owners of the Shangri-la hotels and the South China Morning Post). "They are the big, big money," said Mr Ong. And in Hong Kong, money is the bottom line.

One regular on the social scene, Sophie Bengie, said that these days gossips (white ghosts) are "very much in the minority" at many social events. "But many events are held by consumer brands and the Chinese are who they are marketing to," she said. She cites the example of a recent event held jointly by Hermes, the Paris-based fashion house, and John Lobb, the London shoemakers, together with entrepreneur David Tang.

"There were only Chinese people there," she said. "You're much more likely to see Britons down at Joe Bananas now. They've come to work at the [new] airport."

Jojo Moyes

obituaries / gazette

Kenneth Rowntree

Collectors of the King Penguin books began during the Second World War under the editorship of Nikolaus Pevsner, may member with gratitude and delight no 43 in the series, *A Prospect of Wales*. Published in 1948, it contained a text by Gwyn Jones, and reproductions of some 20 watercolours and a cover by Kenneth Rowntree. The illustrations show Rowntree at his best: taut, economical, with a feeling for the geometry in landscape, whether innate or imposed.

Rowntree's Wales is a hard-edged world of slate and stone, of country chapels, miners' cottages, abandoned lead works, hill farms, remote schools and dry stone walls. His eye for the ordinary and overlooked is as sharp as it is for the less familiar. Lettering, incised on tombstones or colourfully inscribed on shop fronts, is lovingly recreated: traffic signs, telegraph poles and other man-made structures become equally arresting elements in the composition.

Rowntree's gift for evoking a particular place had been fully exploited between 1940 and 1945 when he was one of more than 60 artists commissioned by the Government and financed by the Pilgrim Trust to record the face of England and Wales before development or wartime destruction changed it beyond recognition. "Recording Britain" as this remarkable project came to be known, covered a total of 36 counties. Rowntree con-

centrated on capturing the essential character of old buildings and interiors in Bedfordshire, Essex, Yorkshire, Derbyshire and Wales. (He was born in Yorkshire and lived from 1942 to 1949 in Essex - at Great Bardfield, where Edward Bawden and Eric Ravilious had shared a house in the Thirties and where Bawden continued to live until long after the war.) A recent exhibition at the Victoria and Albert Museum, which assumed responsibility for the 1,500 or so watercolours in the "Recording Britain" project, revealed that Rowntree's choice of quirky subject matter and keen sense of design made him the ideal interpreter of some of the more unusual aspects of our built heritage.

After the war, Rowntree's topographical interests led him to collaborate with Clough and Amabel Williams Ellis on their "Vision of England" series, illustrating the volumes dealing with Norfolk and the Isle of Wight and designing the cover for Sussex (which had illustrations by his friend and Essex neighbour Michael Rothenstein). In 1951 Rowntree painted murals for the Lion and Unicorn Pavilion at the Festival of Britain. His love of English vernacular art was behind his undertaking later in the decade, while teaching at the Ruskin School of Drawing, to paint portraits of the decorated barges belonging to Oxford colleges. "As he was painting

one of them," a friend recalls, "it began to move. Kenneth was at first puzzled, thought his drawing incorrect, then discovered it was actually sinking. They were so old that they have disappeared now, but Kenneth painted most if not all of them."

Kenneth Rowntree was born at Scarborough in 1915 into a Quaker family. He was educated at Bootham School, York, and trained at the Ruskin School of Drawing, where he was taught briefly by Eric Ravilious, and at the Slade School of Fine Art in London. With his wife Diana Buckley, later the architectural correspondent of the *Guardian*, he lived for the first couple of years of the war in the Lawn Road Flats in Hampstead, designed by Wells Coates in the International Style.

After the war he taught painting at the Royal College of Art. In 1959 he was appointed to succeed Lawrence Gowing as Professor of Fine Art at Newcastle University, one of the most progressive art schools in Britain, where the teaching staff included Victor Pasmore and Richard Hamilton. He held this post until his retirement in 1980. It was at Newcastle that he became receptive to various modernist idioms, such as assemblage and constructivist forms, and incorporated them in his own work. In the 1960s he collaborated with the architect Ernő Goldfinger on colour-

glass screens for the entrance halls of the Ministry of Health building at Elephant & Castle. Between 1946 and 1970 he had five one-man exhibitions in London. In the last two decades of his life a number of retrospectives were held in the north of England, usually with incisive catalogue introductions by the current Professor of Fine Art at Newcastle, John Milner.

In the Sixties, Rowntree was a member, together with Quentin Bell and Claude Rogers, of the committee set up to look into university applications in fine art. In his *Elders and Betters* (1995), Bell recollected: "We met for dinner and usually managed to discuss some quite useful business before the first course was eaten, but thereafter Kenneth and Claude began, in a jovial way, to abuse each other, to raise their voices and to disintegrate in uproarious laughter. When the other two professors finally staggered away in opposite directions they agreed that any remaining business should be dealt with by me."

All who knew Kenneth Rowntree will testify not only to his abundant enthusiasm for life and his pleasures, but also to his hospitality, generosity of spirit, and conspicuous modesty about his own achievements.

Richard Calveorelli

Kenneth Rowntree, artist and teacher: born Scarborough 14 March 1915; married 1939 Diana Buckley (one son, one daughter); died Heston, Northumberland 21 February 1997.

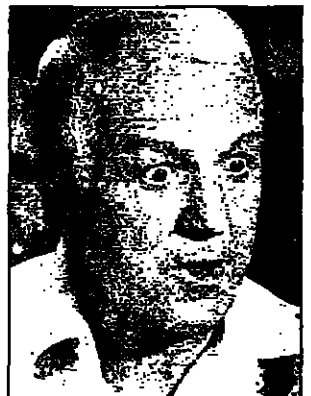


A feeling for geometry in landscape, whether innate or imposed: Rowntree in his studio, 1949

Don Porter

The villain of Robert Redford's trenchant film *The Candidate* (1972) was Crocker Jarmon, a ruthless, corrupt, United States senator, who, in a memorable scene, stirred his supporters with a speech in which he feigned sincerity with practised conviction. "The actor giving a beautiful performance of Jarmon giving a beautiful performance," wrote John Coleman in the *New Statesman*, "turns out to be a sound bit-player, Don Porter, a vaguely familiar face from other movies, but one I would have been hard put to give a name to." At the time he made *The Candidate*, Porter was a veteran of more than two dozen films, some 200 plays and countless television shows.

Born in Oklahoma, Porter was three when his father died in a road accident. Educated in his home state, as well as in Nebraska and Oregon, the 14-year-old Don joined the Oregon National Guard, claiming to be 18. By the time he actually was 18, he had been commissioned



Porter: adulterous businessman Photograph: Ronald Grant Archive

a lieutenant. He was by then a professional actor as well, having started playing dramatic parts at 17 on local radio. In 1936 he made his first stage appearance as a messenger in Maxwell Anderson's *Elizabeth the Queen* at the Civic Theatre in Portland. After years in repertory, Porter made his first screen appearance in *Mystery of the White*

Room (1939). After signing him for seven years, Universal Pictures proceeded to get their money's worth: in 1942 alone, their new contract artist appeared in *Eagle Squadron*, *Top Sergeant*, *Madame Spy*, *Eyes of the Underworld*, *Night Monster*, and as the killer in Abbott and Costello's mystery spoof *Who Done It?*

The Dead End Kids vehicle *Keep 'Em Slugging* (1943) was the last Don Porter film for three years. His hobby was photography, which, coupled with his military training, served him in good stead as a combat photographer during the Second World War. When he was discharged, he returned to Universal to play a lawyer whose fiancée (June Lockhart) mistakenly believed she was a werewolf in *She-Wolf of London* (1946), a movie that was far funnier than Abbott and Costello's *Buck Privates Come Home* (1947), the last film of Porter's Universal contract. Becoming a freelance, he went to Para-

mount for *My Friend Irma Goes West* (1950), to Columbia for *711 Ocean Drive* (1950), to RKO for *The Reckless* (1951), and to MGM for *Because You're Mine* (1952).

His face soon became internationally recognised, thanks to the television sitcom *Private Secretary* (1952-57). Ann Sothern starred as the super-efficient Susie MacNamara, whose life was dedicated to bringing order to her employer, the successful but disorganised talent agent, Peter Sands (Porter). The series finally ended after 104 episodes, but its co-stars were soon teamed again in *The Ann Sothern Show* (1958-61), which concerned Katy O'Connor, the super-efficient assistant manager of a New York hotel, and its disorganised manager, Mr Devery.

During the out-of-town tryouts of Muriel Resnick's play *Any Wednesday* (1964), Michael Rennie gave up the role of John Cleves, an adulterous businessman, nakedly admitting he was leaving because his fel-

low actor Gene Hackman was "getting too many laughs." Porter had no such qualms; he accepted the role, and earned praise for his performance, playing Cleves 982 times on Broadway. Taking over from George C. Scott in Neil Simon's triptych of one-act comedies *Plaza Suite* (1969), he successfully played a harassed father, a womanising film producer, and yet another adulterous businessman.

Porter interspersed stage appearances with such films as *Mame* (1974), *Forty Carats* (1973), Bob Hope's *Bachelor in Paradise* (1961) and Elvis Presley's *Live a Little, Love a Little* (1968), but in the 25 years since *The Candidate* he never again had a role as juicy as Senator Crocker Jarmon.

Dick Vosburgh

Donald Porter, actor: born Miami, Oklahoma 24 September 1912; married Peggy Converse (one son, one daughter); died Los Angeles 11 February 1997.

Professor William Haas

William Haas was influential in promoting the fledgling science of linguistics - a relatively late arrival in British universities - in the years after the Second World War, and as the first Mont Follick Professor, headed Manchester University's newly established Department of General Linguistics from 1963. His interest in the subject had been fired by lectures he had attended in Prague given by members of the Prague School of Linguistics.

Haas was a characteristic representative of a Central European tradition of scholarship: he had a wide culture, gritty individualism, and fierce



Haas: distrust of orthodoxies

intellectual integrity, all combined with humour, personal kindness and urbane charm.

He was born in 1912 in Ostrava, then part of the Austro-Hungarian empire, later part of the new state of Czechoslovakia. He studied Law and Philosophy in Prague, until the threat of Nazi persecution (his father was prominent in left-wing politics) forced him to escape to Britain via Poland in the spring of 1939.

Once in Britain, he enrolled at University College, Cardiff, to study Philosophy and German, later graduating with first

class honours, despite his initial lack of knowledge of English. (He used to say that he learnt English by the somewhat unusual method of writing philosophical essays, which were then meticulously corrected by his professor, J.W. Scott.) He was appointed Lecturer in German at Cardiff in 1945.

Although he had received no formal training in linguistics, he became ever more deeply involved in writing and research on linguistic topics, and in 1955 he was appointed to a Senior Lectureship in Linguistics at Manchester, one of the first academic posts in linguistics outside London. He was a founder member of the Linguistics Society of Great Britain (still the subject's dominant learned society in the country) and one of the original members of the Board of Editors of the new *Journal of Linguistics*.

Haas made his own distinctive contributions to the subject. Among linguists he was probably best known for his theoretical work in mainstream areas, but perhaps more unusual was his pioneering work in the linguistic study of writing systems.

In 1963, he became the first holder of the Mont Follick Chair of Comparative Philology and General Linguistics. This chair was endowed by a former Labour MP for Loughborough who believed that the English spelling system was seriously defective because of a lack of consistency in the relationship between spelling and pronunciation (his tongue-in-cheek suggestion of "ghot" as a possible spelling of "ghost" - "gh" as in "laugh", "o" as in "women", and "t" as in "nation" - illustrates the point).

Mont Follick at first hoped to commit the incumbent of

the new chair to the promotion of spelling reform. However, this was judged by the senate at Manchester to be an improper restriction of academic freedom, and a compromise was eventually reached whereby the holder of the chair would undertake to devote at least part of his energies to the linguistic study of writing systems.

Haas accepted this challenge, and his work on the basic principles underlying different ways of writing down human speech was ground-breaking. He was always lukewarm towards spelling reform. He would not deny that the English spelling system was in many respects capricious, but he was opposed to a system with complex phonetic consistency, arguing that valuable features would be lost. For instance, if the plural of "cats" is spelled with an "s", and the plural of "dogs" with "t", a closer sound-symbolic match is achieved, but the important relationship between "s" and the meaning "plural" is lost.

The department Haas founded, although much changed in many respects, still, in a curious way, carries traces of his intellectual style, especially in its distrust of orthodoxies, and a deep respect for the often untidy, and theoretically recalcitrant facts about human language and language behaviour.

D. A. CRANE

William Haas, philologist: born Ostrava, Austro-Hungary 28 May 1912; Lecturer, German Department, University College, Cardiff 1945-55; Senior Lecturer in General Linguistics, Manchester University 1955-63; Mont Follick Professor of Comparative Philology and General Linguistics 1963-79 (Emeritus); twice married (one son, one daughter); died Manchester 4 February 1997.

Bobby Parker

Great footballers fall into two categories: those with dazzling talent, and those who work in week out have been great club stalwarts, perhaps never reaching international heights, but serving the game with distinction and justifiably winning the lasting affection of their home crowds and communities. Such a one was Bobby Parker, for 46 years associated with Tynecastle Park, and the Heart of Midlothian Football Club - as a young player, club captain, trainer, coach, scout, manager, chairman, and director until 1993.

Parker was never to gain full Scottish international honours. This was because it was his misfortune to be the exact contem-

porary of another right-back, the legendary George Young of Rangers and Scottish captain. As a teenager on the terraces at Tynecastle in the late 1940s, my first recollection of Parker is as an acquisition from Partick Thistle. He would be covered in mud earlier in the game than anyone else, partly because he was a formidable tackler, partly because he was a terrific grafter and partly because he was fearless. He was also one of the most ferocious takers of free-kicks from outside the penalty box. The only man I have ever seen hit a dead ball harder was the Brazilian maestro Roberto Rivellino.

He never himself took part in a cup-winning side, but he con-

tributed greatly to Hearts' triumph in the League Cup in 1954-55 and in the Championship in 1955-56. The present Lord Provost of Edinburgh, Eric Milligan, the most loyal of Hearts fans, described Parker as the living link between the successful teams of the glory days of Alf Conn, Willie Bauld, and Jimmy Wardhaugh and the present lively club. In particular, Parker did much to further the great career of the young right-half in front of him, Dave Mackay, later to be transferred to Tottenham Hotspur and to become the Scottish captain.

Parker was born in the village of Ratho in West Lothian, outside Edinburgh, and went to school at Broxburn Academy. Involved in junior football, he was picked up by Bathgate Juniors from where he went to Firhill to play for Partick Thistle. Returning to the east of Scotland in 1947 he came to Hearts.

Throughout the years, often for little pay or none at all, he devoted himself to any job that had to be done in the club. He was also a businessman in the Gorgie area of Edinburgh. In the 1980s he took over the newsagency at the St Andrew's Square bus station when big companies reckoned that the price was too high. Both in the news agency and in the travel business his philosophy was to

give good service to the public. At a difficult time in 1975 Hearts turned to him to succeed Bill Lindsay as chairman. In 1980 when he resigned he made way for a company director, Archie Martin, and made possible the share reconstruction which brought the energetic Wallace Mercer and much needed money to Tynecastle. He remained welcome as ex-chairman in the boardroom, and was a useful director.

Tam Dalyell

Bobby Parker, footballer and businessman: born Ratho, West Lothian 16 February 1924; married (one son, one daughter); died Edinburgh 1 March 1997.

DEATHS

DAWSON-SHEPHERD (JOHNS): Margaret Kathleen on 28 February, Margaret K. Johns was the first female film producer in the UK. Widow of Ian, much-loved mother of Jennifer, Judith and Andrew, and stepmother of Rosemary, Anne, Sarah and Deborah. Funeral service St Wulfric's, Kew, 11.30am, Tuesday 13.3. Donations to Mother & Baby Clinic Project, The Little Foundation, 12 Portico, London W1N 4EP.

GOTT: Rosemary Anne, suddenly on Saturday 1 March 1997. Wife of the late Brian Gott MC, formerly Dyer, now Wierworth-Fitzwilliam, beloved mother of Michael, Anita and Becca, adored grandmother and great-grandmother, treasured godmother and friend. Family funeral on Saturday 8 March 11am at St Bartholomew's, Epsom, near Fittleworth, West Sussex, followed by private cremation. A Service of Thanksgiving will be held on Wednesday 9 April 2pm at St Bartholomew's, Epsom. No mourning. If desired, cut flowers only.

MACSWINEY: Major John Francis Sean (Royal Signals) (retired), suddenly at home, on 1 March 1997, aged 81 years. Much missed by his children Gavin, Nuala and Fiona and his grandchildren. Funeral at Our Lady of the Rosary and Holy Road, Bally, Co. Wick, at 2pm on Friday 7 March. Requiem in place.

YEO MARSH: Joan Patricia (née: Curtis Green) died peacefully at home on

Births, Marriages & Deaths

1 March. Funeral at Waltham St Lawrence Parish Church at 2pm on Tuesday 11 March.

MEMORIAL SERVICES

GOULD: Joe. A service to celebrate the life of Joe Gould will take place in Eton College Chapel, on Friday 14 March, at 2.30pm.

Announcements for Gazette: BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries. In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned on 0171-293 2011 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (notices, functions, forthcoming marriages, Marriages) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. Please include a daytime telephone number.

Changing of the Guard The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

Kingston Schette, New Malden, Surrey. The Duke of Kent, President, attends a Committee Meeting of the Automobile Association, Basingstoke, Hampshire, visits Flag Officer Sea Training HMS Gower, Plymouth, and visits HMS Coventry, at sea, on operational training.

Birthdays

Lady Elizabeth Basset, Extra Woman of the Bedchamber to Queen Elizabeth the Queen Mother, 89; The Right Rev Thomas Butler, Bishop of Leicester, 57; Admiral Sir Simon Cassels, 89; The Earl of Crawford and Balcarres, premier Earl of Scotland, 60; Mr Jim Dowd MP, 46; Miss Samantha Eggar, film actress, 58; Mr Anthony Hedges, composer, 66; The Most Rev Bruno Heim, former Apostolic Pro-Nuncio, 86; Mr Robin Herbert, chairman, Leopold Joseph Holdings, 63; Mr Richard Hickox, conductor, 49; Mrs Ann Hingley, Head Mistress, Roedean, 55; Lord Macfarlane of Bearsden, chairman, Macfarlane Group, 71; Miss Elspeth March, actress, 86; Sir Derek Mitchell, former senior civil servant, 75; Miss Elaine Page, actress and singer, 45; Sir Jack Rambold, former president, Industrial Tribunals, 77; Mr Dean Stockwell, film actor, 61; Air Marshal Sir Thomas Stouffer, defence consultant, 61; Mr Barry Tuckwell, conductor and born player, 60; Mr Des Wilson, Director of Corporate and Public Affairs, BAA plc, 56.

Anniversaries

Births: Gerhardus Mercator (Gerhard Kremer), cartographer, 1512; William Oughtred, mathematician and inventor, 1575; Giovanni Battista Tiepolo, painter, 1696; Sir Rex Carey Harrison, actor, 1948; Deaths: Antonio Allegri da Correggio, painter, 1534; Thomas Augustine Arne, composer ("Rule, Britannia") 1778; Flora MacDonald, Jacobite heroine, 1780; Franz Anton Mesmer, physician and founder of "animal magnetism", 1815; Sergei Sergeyevich Prokofiev, composer, 1953; Joseph Stalin (Iosif Vissarionovich Dzhug-

ashvili), Russian leader, 1953; Anna Akhmatova (Anna Andreyevna Gorenko), poet, 1960; Mohammad Mossaddeq, Iranian politician, 1967; Tito Gobbi, baritone, 1984; William Powell, actor, 1984. On this day: the foundation stone of New College, Oxford, was laid, 1397; Lee De Forest demonstrated an experimental radio broadcast from New York, 1907; the Spanish steamer, *St. Esprit de Asuncion*, struck a rock and sank off Brazil, with the loss of over 400 lives, 1916; civil disobedience in India ended, 1931; the Nazis made large gains in the German general election, 1933; the Battle of the Bismarck Sea ended, 1943; Winston Churchill made a speech at Fulton, Missouri, referring to an "Iron Curtain" across Europe, 1946; Dr Gustav Heinemann became president of West Germany in succession to Dr Heinrich Lübke, 1949. Today is the Feast Day of Saints Cremona and Eusebius, St Eusebius of Cremona, St Gerwynus, St John Joseph of the Cross, St Kieran of Seagha, St Phocas of Antioch, St Piran and St Virgil of Arles.

Lectures

National Gallery: Colin Wiggins and Lizzy Barker. "The Italian Baroque (I): a feeble and fallen school", for and against the Baroque", 4pm; Richard Wollheim. "The Metaphysics of Painting", 6.30pm. Victoria and Albert Museum: Richard Dunn. "Astronomical Imagery in Western Art", 2.30pm. Loughborough University: Professor Roy Faulkner. "Atom Management", 4.30pm. Leicester University: Judge Rosalyn Higgins. "Into the Next Millennium: the International Court of Justice in the 21st century", 5.30pm.

Direction sufficient to deal with jury bias

Gregory v United Kingdom: European Court of Human Rights, 25 February 1997

LAW REPORT

5 March 1997

The decision of a judge, faced with an allegation of racial bias in a jury trying a black defendant, to give the jury a forceful redirection instructing them to put all thoughts of prejudice out of their minds and to consider the case on the evidence alone, was sufficient to ensure the jury's impartiality and to dispel any doubts as to the fairness of the defendant's trial.

The European Court of Human Rights ruled by a majority of eight to one that there had been no infringement of the right to "a fair... hearing... by an independent and impartial tribunal established by law" under article 6.1 of the European Convention on Human Rights in the case of David Gregory.

The applicant, who was black, was tried for robbery before a jury at Manchester Crown Court in November 1991. The jury retired at 10.46am on 28 November to consider their verdict but returned at 12.28 and handed to the trial judge a note stating: "Jury showing racial overtones. One member to be excused."

In the jury's absence, the judge consulted counsel for the prosecution and defence about a suitable response to the note. Defence counsel recoiled asking the judge to discharge the jury, but in the judge's recollection both counsel agreed to his proposal to issue a redirection. The jury were recalled and the judge instructed them to put out of their minds any thoughts of prejudice and to consider the case on the evidence alone.

After a further direction in which the judge told the jury that he could accept a majority verdict, the defendant was found guilty by a 10-2 majority. The applicant was sentenced to six years' imprisonment. His applications for leave to appeal against conviction were refused.

The European Court of Human Rights stressed that the impartiality of a tribunal including a jury had to be determined on the basis of both a subjective and an objective test.

Since there was no proof of actual or subjective bias on the part of one or more jurors, and

evidence of such could not be adduced by questioning them about the allegations in the note because of the rule in English law governing the secrecy of jury deliberations, the appropriate starting point was to examine whether the trial judge had done all that could be required of him under article 6.1 to dispel any objectively justified doubts about the jury's impartiality.

The court had particular regard to the steps taken by the judge on receipt of the jury's note. He had not dismissed the allegation outright but had sought the views of prosecution and defence counsel on a suitable reaction to it. He had concluded that, of the options available to him at that stage of the trial, the matter could best be dealt with by recommending the jury and issuing a firm redirection in open court.

As an experienced judge, having observed the jury throughout the trial, he had no doubt been aware of the possibility of discharging them or asking them in open court whether they were capable of continuing and returning a verdict on the evidence alone.

Defence counsel had not in fact pressed for either of these courses, and it could thus be reasonably inferred that he had not considered that either had been warranted in the circumstances.

At most, defence counsel would appear to have asked the judge to investigate the circumstances which had motivated the writing of the note. However, any such investigation would have been impossible because of the rule on secrecy of jury deliberations.

The redirection itself had been forceful, detailed and carefully worded, with particular emphasis on the jury members' sworn duty to try the case on the evidence alone, to the exclusion of any thoughts of prejudice of any kind. The tenor of the redirection, coupled with the fact that no further allegations of racial bias were made, led the court to conclude that the trial judge had taken sufficient steps to any objective doubts about the jury's impartiality.

While the guarantee of a fair trial might in certain circumstances require a judge to discharge a jury, in the present case a carefully worded redirection was sufficient.

Paul Magrath, Barrister

Unlocking the iron cage of Albania

The Albanian regime led by President Sali Berisha is trying to silence foreign news broadcasts. It is a waste of time. If even the Stalinist regime of Enver Hoxha could not keep out western popular music - Italy is too close - Tirana's current rulers are unlikely to have any more success with the BBC World Service.

But this decision is significant. Any regime that switches off the Voice of America relay, expels foreign journalists and fire-bombs its own papers is doomed. Of course it can keep going for a while. Protesters can be machine-gunned, tanks can seal the borders, the secret police restored to the rank and privilege they enjoyed until 1991. All that can happen; and yet the regime's survival has now become a short-run thing.

That prediction does not have to do with the virtues of news journalists - though the penny-pinching British government might note the critical role played by the World Service at moments like these. It is to make the simple observation that there is no economic progress, based on trade and markets, without the full flow of information, with official encouragement, inside and outside the country. Efforts are being made by the Chinese government to prevent unbiased news reaching the country's interior; the Iranians want to censor the Internet. Yet not only does technology make such illiberalism more and more

difficult to sustain but information restriction has to be traded off against market participation. Without knowledge - of events, trends, demands - trade is bound to suffer.

So the Berisha regime is voting against markets, against trade, against Albania's only conceivable future. The past is state socialism. Its debris lies all around that benighted country, from the rash of concrete pill boxes, erected on the orders of Enver Hoxha against the non-existent threat of invasion, to the eroded slopes denuded of tree cover by a collectivised peasantry lacking fuel. There is no way back into economic isolation; too many Albanians have tasted the fruits of freedom to let it go far.

But freedom alone guarantees nothing. Albanian liberty began promisingly. President Berisha inaugurated market reforms; the lek was stabilised. But during the past two years freedom has been exploited by gangsters and get-rich-quick merchants with - the conclusion is inescapable - the connivance of high officials. We should not make too much of the *naïveté* of the Albanian people taken in by pyramid schemes: such schemes and their cousins flourished in Depression America. The something-for-nothing mentality is visible here in Britain, too. But the Albanians were confined in a remarkably comprehensive and wholesale fashion; and one of the country's short-run problems is how to re-establish trusting

economic and political relationships in a situation where, willy-nilly, many people will end up losers.

First, of course, there must be a return to order. Calm in the streets of Vlorë, Gjirokastra and Sarandë is a precondition of progress. But if the country can be cooled down, what conjunction of foreign government intervention and action by the Tirana authorities is most likely to secure, say, a restoration of the *status quo ante* 1994?

No one needs to pretend Albania is a strategic pawn or even a potential contributor to regional instability. Hoxha's only allies were the North

Koreans; Moscow's only interest is indirect, routed through Belgrade. There is an oppressed Albanian majority in Serb-ruled Kosovo, but so far Tirana has shown no inclination to stir up that small and dangerous hornets' nest. An efflux of people from Albania could be a nuisance to Greece and Italy, members both the European Union and Nato. But our interest rests on more than the obligations of alliance. It goes wider than humanitarian concern or even the prospect of new Adriatic beaches which one day ought to bring that country much-needed tourist revenues. It is our stake

in seeing a small country emerge from the iron cage of unfreedom.

The Greeks and Italians want the Dutch, current presidents of the EU, to convene crisis meetings, and so they should. A comparatively tiny amount of money, made available perhaps as a soft loan, could tide the Albanian government over the effects of the pyramid-selling scandal. But the usefulness of a bail-out depends on the capacity of the Tirana government, first, to regain some minimal degree of public confidence, and second, to establish conditions in which scams and schemes may go on (no one is ever going to extirpate get-rich-quick aspiration) but are kept local and manageable.

Is President Sali Berisha capable of such transformation? It might mean his undoing the results of that corrupted election of last May which saw his Democratic Party into power. There is no point ignoring the fact that among the opposition's democrats and liberals are hardline Communists; yet it is hard to see how the institutions of freedom, economic or political, can be reformed without cross-party co-operation.

There is a further financial or other assistance is given by the EU, the World Bank, the United States or any other international actor. It is official freedom of the air. President Berisha's attempt to muzzle the press is more than an effort to stop news circulating

in Albania. It is the act of a regime ashamed of its repression; it wants the foreign audience to be deprived of evidence of Albania's primitive condition and its own people to be left in the dark. President Berisha needs to see how damaging and self-defeating such action is. Albania has barely started out on the rocky road towards capitalist democracy. Getting back to the starting point requires even this small Balkan state to learn liberalism. And it starts today with freedom of information.

Love blossoms with the daffodils

It reads like a fairy-story. A Tory politician drafted in from deepest Yorkshire to rule over the Principality of Wales decides to avoid the embarrassment of his predecessor: on public occasions he must show he knows enough Welsh to sing the national anthem. So the civil servant daughter of a former director of the National Eisteddfod is detailed as his tutor. Naturally enough she is called Jenkins. Affection blossoms as they struggle with those clustered consonants and subtle vowels - and soon her ministerial master is to become her husband. Good luck to them. If Tory Welsh Secretaries can't actually be Welsh, or have houses looking out on the Welsh hills, then at least they can look forward to increasing the Anglo-Welsh population.

LETTERS TO THE EDITOR

Wartime roots of UK backing for Berisha

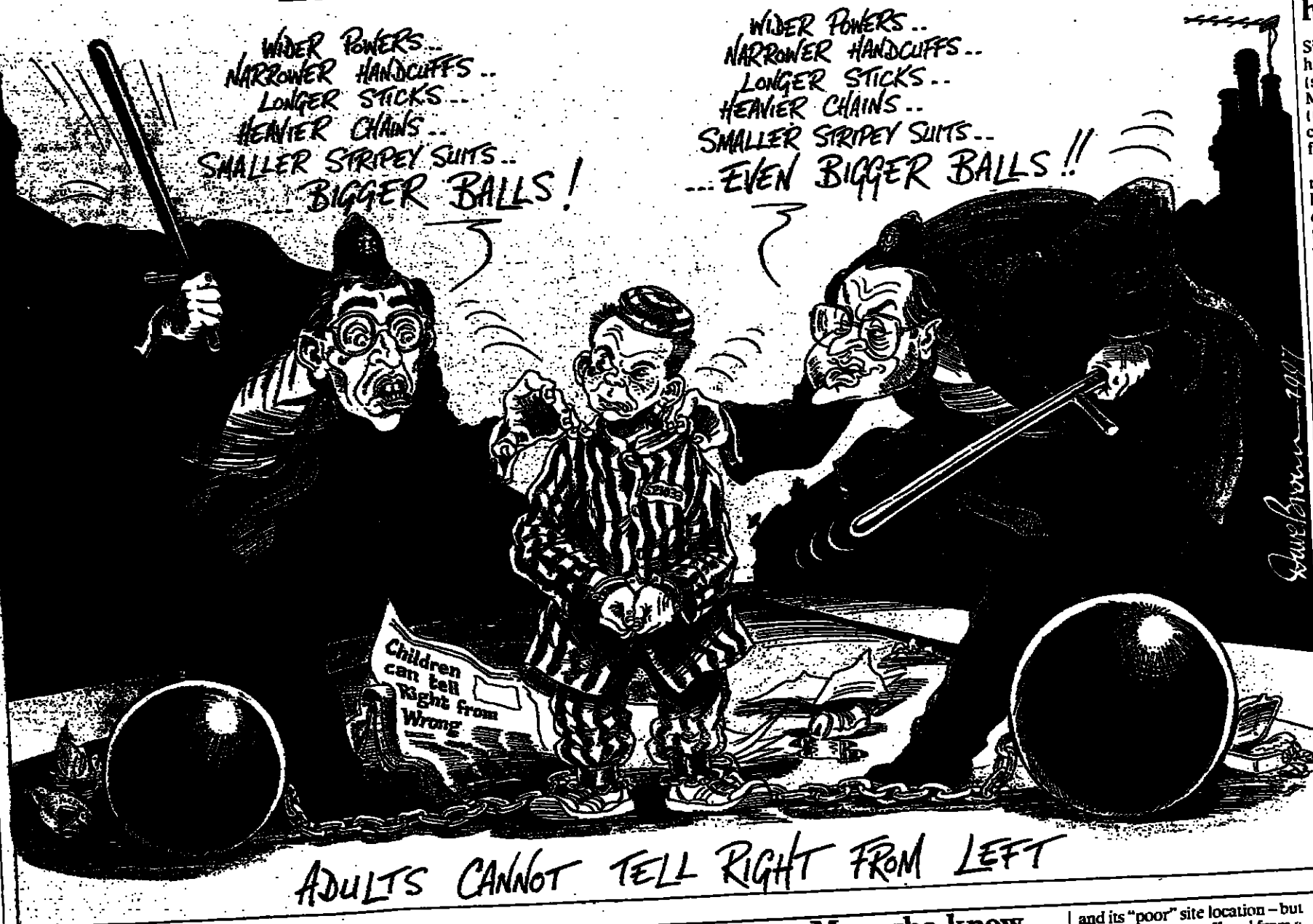
Sir: There is a wider and deeper background to the British Conservative connection with Albania (reports, 14, 15, 24 February). It goes back to the Special Operations Executive's operations in Albania in the Second World War.

In 1944 the late Lord Amery, then a young captain, acted as a sort of political commissar with the Billy McLean/David Smiley mission, which tried to co-ordinate resistance to the Germans from the Zogist movement in north Albania. For various reasons they failed. After the war they explained their failure by alleging that Albania had been betrayed and given over to Enver Hoxha and Communism by the folly and in some cases the treachery of fellow officers in SOE who had channelled support to the Partisans.

This became the generally accepted version of events because Julian Amery and his associates were for several decades the only members of the SOE teams from Albania who went into print. They contributed to the ill-starred effort to destabilise Enver Hoxha's Albania at the turn of the Forties and Fifties. The failure of that project has been blamed on Philby's treachery, although there are very good reasons for thinking that it would have failed without Philby's intervention. It was an early piece of ill-judged and excessive anti-Communism.

When the Communist regime began to collapse in 1991, Amery and Smiley visited Albania and became active supporters and encouragers of Sali Berisha and his Democratic Party. With the help of Lord Amery's prestigious position in British politics it was possible to mobilise some practical help for them from Conservative and eventually also from government sources. Berisha won the 1992 election and became President; and first William Bennett and later Guy Roberts were taken into his office as special advisers. The UK had no diplomatic ties with Albania until later in 1992, but President Berisha was already assured in this unofficial way of a close British connection. In so far as Sir Geoffrey Patte has nourished that connection in the mid-Nineties, he has inherited the late Lord Amery's mantle.

The 1944 outcome was reversed in 1992. It would have been best for Albania if hard, revanchist anti-Communism had been softened from then onwards. Unfortunately it has continued to have an important place in the political ideology of President Berisha's government, and this has undoubtedly been encouraged by right-wing advice from abroad, not only advice from foreign friends but also advice from Albanian émigré communities in western countries. The main opposition party, the Socialists, have been slow in distancing themselves from their Hoxhaist past, and this has made it easier for anti-Communism to appear still to be relevant, although it ceased to be an adequate or even a valid ideology once the Communist system had fallen apart. The result is that Albania today is a deeply divided country, on the way to becoming once again a single-party state, without a new post-Communist constitution or an independent judiciary. In its rush to the free market Albania has picked up some of capitalism's worst habits. The collapse of the pyramid investment



Shaved horns no help to cowards

Sir: Ernest Hemingway, would have agreed with Liz Nash ("The (shaved) horns of a dilemma", 3 March) that the machoism of many (though not all) bullfighters conceals a "quivering child who is frightened to die".

I suspect, though, that he would not have supported the premise of her argument that a bull disorientated by horn-shaving, and therefore "more likely to miss", would be the preferred animal of the cowardly matador.

Hemingway, who perhaps got as close as any foreigner can to the heart of this mysterious Spanish practice, was clear that among bullfighters the unpredictable bull, who will not charge straight and true, is the most feared animal. If the bull aims directly for the cape, as he should if he retains his alertness and balance, the matador's strict training will allow him to achieve a kill without great personal risk.

If this is so, the only advantage of horn-shaving is that should the matador receive a goring, the prospect of death or serious wounding for the man is greatly reduced.

Liz Nash's description of the "fiesta glorified by Hemingway" is a rather wayward stab at his real views. In *Death in the Afternoon* he mounts a sustained attack on the cowardly matador, protected even in the Twenties and Thirties by a corrupt system which his report shows has changed little.

His case was that only occasionally does the *corrida* rise above such failings to provide a true contest and an eccentric but stark view of the human condition. Whether it is a necessary or a moral view is perhaps a problem with which, notwithstanding EU integration, northern Europeans are unable truly to grapple. TRISTRAM HODGKINSON London SW4

Political nous of a spellchecker

Sir: My PC's outdated spellchecker (it fails to recognise "consultancy" or "privatised", so it is obviously pre-Eighties) also plays tricks with people's names. It will of course ignore names that exist as normal words, but shows remarkable insight when it gets to politicians' true identity.

With the latest Cabinet split I discovered that John Major was changed to a grey and feeble "Join Major". However, Stephen Dorrell turns into a double Euroceptic rallying call: "Stiffen. Dorrell!" I could not possibly comment on other cabinet members such as "Mutual Coward", but I have no doubt that the party chairman would prefer "Brawn Money" to "Brown Mooney".

As for the leaders of the Opposition, it merely confirms what we knew all along: Tony Blair becomes "Tons Bluer" and Paddy Ashdown "Badly Outdone". BADLY PUNY (PADDY PAYNE) London SW4

Major question

Sir: I cannot understand John Major's accusation that no member of the Opposition front bench has experience of high government office. It seems that he is either calling for a Labour victory in the name of democracy, or arguing the virtues of a one-party state. CLIVE BRAMLEY London SE3

Men who know they are women

Sir: Jojo Moyes ("When a man loves being a woman", 22 February) displays a depressing lack of imagination. Can she not try to grasp what it might be like to have a body which is at odds with one's identity? Given all the pain involved for loved ones and themselves, besides any subsequent inconvenience, why indeed would men want to be women - unless they were convinced they were women?

And though some may be tragically mistaken and slip through the medical checks designed to catch them, even on Ms Moyes's figures 95 per cent will not have a change of mind post-operatively, and 90 per cent will adjust - rather good statistics as medical procedures go. SUSAN MARSHALL Essex College, Oxford

Save BT museum

Sir: The announcement by BT that it is to close its telecommunications museum (report, 1 March) is a further sign of the social irresponsibility of the privatised utilities.

The museum, in the heart of the City of London, was opened in 1982 and houses Britain's telecommunications heritage, spanning some 200 years. The decision is based primarily on cost

and its "poor" site location - but the museum has suffered from a lack of company direction, publicity and development funding for some time.

Currently the BT Museum receives thousands of school-age children each year. Visitors of all ages can trace the progress in communications, from the earliest days of telegraphy to the latest satellite and optical fibre technologies, learning about pioneers such as Bell, Morse, Edison and Marconi.

The museum receives thousands of requests for information from the general public each year. It boasts a well-stocked resource centre.

Why can the company not leave the existing museum open while seeking an alternative site - perhaps close to the BT Tower and London's West End? D ALABASTER Billericay, Essex

Trains in winter

Sir: With regard to your report "Rail firm fined for crowded trains" (3 March), I should like to point out that during the period of temporary rolling-stock shortages caused by severe weather in January, Connex South Eastern managed to maintain train services on all routes during the worst winter in Kent for many years.

In this period, which saw many major roads closed and ferry sailings halted, our punctuality and reliability were significantly better than in previous winters.

AR FEARN Managing Director, Connex South Eastern London SE1

Plutonium plant spells more waste

Sir: The Environment Agency has invited public comment on the proposal by British Nuclear Fuels (BNFL) to commission and operate the Sellafield MOX Plant (SMP) with submissions to be received at their Lancaster office by 7 April.

The £200m facility for fabricating mixed-oxide (uranium and plutonium) assemblies should not have been built in the first place. The concept has never been properly debated in a public forum, nor have local authorities been consulted about the safety implications.

The nuclear industry has been vigorously promoting the burning of plutonium in conventional reactors as a means of dealing with the increasing stockpiles of civil plutonium and excess military plutonium from the United States and Russia. BNFL, in particular, has attempted to steal the nuclear disarmers' clothes with its "swords into ploughshares" claims in an attempt to gain public support for MOX.

However, only 5 per cent, or less, of the MOX fabrication will be plutonium, with fresh, not recycled, uranium accounting for at least 95

per cent of the fuel. It also appears that two-thirds of the assemblies in a reactor will contain no plutonium at all. It is likely, therefore, that more plutonium will be created than burnt up.

No waste management strategy has been identified for the spent MOX fuel and we have been informed that it could not be dealt with in THORP without major modifications; will yet another reprocessing plant be built at Sellafield and yet more plutonium separated?

BNFL should never have been permitted to add to the plutonium stockpile by starting reprocessing in THORP. Plutonium is a dangerous liability, not an energy asset, and all reprocessing, civil as well as military, should be halted. MOX is little more than the next technical fix for an ailing nuclear industry which is intended to tie more countries into the next stage of the "plutonium economy". It will increase concerns about nuclear accidents and weapons proliferation. Ultimately, it can only add to the growing legacy of nuclear detritus awaiting a long-term plan for its management.

Dr FRANK BARNABY SHAUN BURNIE (Greenpeace International) MARTIN FORWOOD (Cumbrians Opposed to a Radioactive Environment) Dr MARTIN HEMINGWAY (Chair Nuclear-Free Local Authorities) DAVE KNIGHT (Chair, CND) Penrith, Cumbria

Post letters to Letters to the Editor, and include a daytime telephone number. Fax: 0171-293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

The windfall – spend it or save it for a rainy day?

Feeling richer today? One million people this week learned that they will get payouts of £1,400 apiece – the members of the Northern Rock building society. This year some 16 million Britons – one-third of the adult population – will receive a total of more than £20bn from the floats of building societies on the stock market. The biggest, the Halifax/Leeds, will affect 8.5 million people; the Alliance and Leicester and the Woolwich, another 5 million.

These are big numbers – the largest transfer of cash that has ever taken place in this country, far larger than any "give-away" budgets. What we do with the money – in particular whether we spend it or save it – will obviously have a profound impact on the economy. But even more important, it will tell us something about social behaviour, and about a potentially devastating new fissure in our society.

The working assumption of most economists is that the bulk of the windfall will be saved in the first year; the Bank of England reckons only 5-10 per cent will be spent. This sounds a bit optimistic (or pessimistic depending on your point of view), for the results of a Mori survey suggest that people will spend 10-25 per cent of the windfall, mainly on holidays. Were the spending at the top end of the range it would add 1 per cent to consumer spending, big enough to fuel. But we really will not know what people will do with their money until they have it in their bank accounts, and then not for a few years. Maybe people won't spend it in year one, but then the car needs a new clutch and...

The only comparable UK experience was in the late 1980s, when house prices boomed and the new expression "equity take-out" entered the language. People cashed in part of the additional value of their home by increasing their mortgage and then spending the difference. But that other, and less agreeable, expression "negative equity" entered the language shortly afterwards. Maybe that experience will change behaviour. Will the new insecurity encourage people to save?

US experience is interesting. Americans have become much richer in the past three years, not from windfall gains from building society conversions, but from the general rise in the stock market. This wealth is spread quite a way down the income scale, thanks to the practice in the US of using accounts with mutual funds – unit trusts – for regular saving, rather than the way we use bank or building society accounts.

It seems that, far from spending their Wall Street bounce, US citizens are saving it. Back in the middle 1980s, the annual rise in US consumption hit 6 per cent. Through the middle 1990s, it has been a little over 2 per cent and it does not seem to have risen at all with the boom of the last three years. Maybe Americans instinctively don't trust the boom on Wall Street.

Were this reluctance to spend to happen in the UK, from a general economic point of view it would be very encouraging. If people save, then the economy is less likely to get overheated, and the Government is less likely to have to stick up interest rates to cool it down. The US investment bank Salomon Brothers, which has done some work on the economic impact of the windfalls, reckons that, provided



Hamish McRae

It's the biggest cash hand-out this country has known. What we do with it will shape not only our personal fortunes but our whole society

the cash is mainly saved, interest rates will only go up 0.5 per cent this summer and stay below 7 per cent next year.

There is, however, another and more disturbing aspect. People who have money will save it, which is fine. But what of the people who don't? It is great that one-third of the adult population of the country is getting these gains, but that means two-thirds are not. And the problem is not just between one group of people who are a thousand or two richer than the other group. It is between one group who through their lifetime will tend to be savers and another who will tend not to be. It is a division as stark as that between home-owners and council tenants, and it is going to grow.

It is going to grow because governments have little option but to encourage people to save more for their old age. This is not a Tory/Labour division, though the rhetoric the parties adopt may be different. The harsh arithmetic of a smaller population of working age paying for a large one of retired age means that governments have to try to persuade as many people as possible to save for their own pensions.

At the moment there are just over four people of working age in the UK for every pensioner. By 2030, when the typical 30-year-old Independent reader of today will be thinking of drawing his or her pension, there will be just over two-and-a-half. By 2040, when these people will be in their energetic 70s, there will be fewer still.

And of course the cost is not just in pensions. It is also in health care for the very elderly, the over-80s, who are increasing in numbers even faster.

So expect enormous pressure to save. Governments of both parties will spend the next 30 years devising new ways of encouraging us, maybe bullying us, to put aside as much money as we can. It will not just be a new individual savings account, as suggested by New Labour. I would expect the UK to have a compulsory savings scheme, with money deducted from wages, by the year 2005, whichever parties win the next two elections.

But we cannot all save very much. Successful young professionals can run a smaller car or forego the third holiday. People in less well paid jobs can't save so much. People not in jobs can't save at all. Besides, what do you do with money who could save, but won't? It is a great ethical dilemma. You could have two people on identical incomes all their lives, one who saves steadily, the other who spends up to their income. Should the saver pay taxes to support the spender in old age? If you say yes, you are agreeing to punish the prudent and reward the feckless. If you say no, you risk widening divisions in society, widening the gap between the quite rich and the pretty poor.

For that is what these windfalls do. They reward the richest one-third of the country. Nearly half the two highest socio-economic groups will get pay-outs, whereas only 17 per cent of the two lowest will get them.

There is no easy solution. We have to persuade people to save more, which means rewarding savers so that they become richer. But we have also to persuade those people who have become rich through their own hard work and prudence to accept that some of the fruits of their labour will be taken away. The glue that holds society together depends on it.

Blair's Britain: only the beginning

by Andrew Marr



The Tories have all but given up. But if Labour wins, will it transform the country or just oversee it for a while?

Like any sensible observer with a shred of historical sense, I have been cautious about this, over-cautious, even timid. And still, the polls may be very wrong. And still, John Major is a formidable campaigner. And Conservative Central Office is still a rich and well-oiled machine. But – *Basta!* On 2 May, barring the biggest upset in our democratic history, we will have a new government. Bit by bit, soundbite by soundbite, Blair's Britain is beginning.

But what kind of Britain will it be? That too depends, at least partly, on election day. A sharp narrowing of Labour's lead is possible – even, on past parallels, likely. Whether Tony Blair wins by a landslide or a short head will affect the duration and radicalism of his tenure of Downing Street.

Is he in for 10 months or 10 years? Will he transform the country or merely oversee it? Big questions, yet despite them, the Conservatives seem to have all but given up.

I don't mean that their enjoyment of power has weakened, or that they won't storm around the country warning of the terrible perils of the Blair Terror. Indeed, if anything, their enjoyment of the small comforts of office will increase and their rhetoric will get more hysterical as the day of reckoning nears.

Yet, deep down, most have given up, including almost all of the Cabinet. Real parties, fighting serious campaigns to hold or win power, don't indulge in the idiot bickering of today's Tories. In real parties, senior figures turn on the enemy, not on one another. In real parties, the elder statesmen are supportive through hard times, not poisonous and gleeful about their colleagues' daily troubles. In real parties, there is a sense of common purpose which swamps the inevitable personal squabbles that are part of daily political life – people back the leader, they don't gossip about who'll replace him.

And in all these senses, the Conservatives are ceasing to be a real fighting party. They have the offices, cars, salaries and titles of power, but they are losing authority. When a minister explains the latest government proposal, it now requires the willing suspension of disbelief before we consider the implications. When an Opposition spokesman, such as Jack Straw, makes an announcement, we think at some barely-conscious level, "Ah, so that's what is going to happen."

This political collapse of stout party is particularly odd since the Tories have won almost all of the big political arguments of recent years. On taxation, public spending, privatisation, the market economy, less liberal attitudes to law and crime, parent power in education, and even the undesirability of European political union, they confront opponents who basically agree with them.

Indeed, in many areas, New Labour's pitch is not really that the Tories have been intellectually wrong – rather, that they have failed to deliver properly, and that Labour will now deliver a similar agenda much better. (Think of traditional education, or law and order, or monetary orthodoxy.) If the Conservatives are handing the country over, then they have thrown in a growing economy and a whole host of new, now barely-challenged nostrums too.

Yet Tony Blair's huge achievement is to have made it possible for the Middle English to vote Labour in large numbers for the first time in a generation. The glib, coffee-bar dismissal of Blairism is that it doesn't give voters enough choice. But if choice means the real prospect of an electable alternative, and not simply the opportunity to heckle a permanent Tory government, then without Blair and the other Labour reformers, Britain would have no choice at all.

And Britain does. Despite the convergence on many social and economic policies, we now have a choice between different visions of a British future: different ideas about democracy, about our place in the world. Even to put it pompously, our national destiny.

The Tories have become dazed by the philosophical challenge of European Union – a proposition they cannot ignore and cannot accept. Their great purpose now is to defend one kind and level of power – parliamentary sovereignty, located at Westminster – against all comers. They are the Defence of the Realm Party. This most traditional of political causes goes with a vision of an unregulated, vibrant economy, from which political control is absent at a local, regional or European level.

The Tories' problem is that only some of them think this way, and most of the country seems to regard it as a romantic, somewhat abstract crusade.

idea of Britain which seems pragmatic and – if we brush aside the rhetoric of New Labour, New Everything – unromantic. "Reform this. Do that better. Sweep aside old nonsense. Use resources more efficiently." Talk to any senior New Labourite and you find they regard the EU as something to be used and exploited, not argued about.

The dangers for a Labour or Lib-Lab government should hardly need spelling out. Pragmatic administrations are easily blown off course. In office, you may not need a detailed, year-by-year blueprint, but you certainly need a strong sense of direction. Meanwhile, the longer-term outlook for the public finances is not nearly as sunny as it seems today; and the history of the century suggests that the Tories will be back, revitalised and reunited, within a few years of defeat in the polls, however comprehensive.

If Blair wins a strong working majority in May, then we will soon see how seriously he takes this. Will he reshape the country's politics, so that Tory nationalism is marginalised and the failures of the party in power today are translated into longer-term defeat? Doing that will mean empowering local and regional politics, introducing a Bill of Rights, finally dealing with the Lords and – above all – changing the voting system: all the things traditionalists advise him to shun.

Already the more intellectual Conservative journalists, such as Matthew Parris in *The Times* and Charles Moore in *The Daily Telegraph*, are worriedly warning Blair against tinkering with the Constitution. The subliminal message seems to be: let us Tories deal with national destiny while you take a quick turn at the wheel. Moore even accuses Labour of being high-handed and ruthlessly "Cromwellian". Coming from a champion of Lady Thatcher, after 18 years of quango-stuffing and centralising, and addressed to a party still in Opposition, this is a bit rich.

But as Tories, Parris and Moore are posing the right questions. Their worry is eloquent and justified: if Blair does "tinker" – and today's expected launch of the joint Labour-Lib Dem constitutional programme implies he will – then the Conservatives' failure to recover this spring will cost them much more than one general election. It may cost them their century-old leasehold on this country.

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business & city

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BT starts fight to win over US shareholders

Chris Godsmark
Washington

British Telecom is to launch an unprecedented marketing campaign in the US in an attempt to convince sceptical American investors about the merits of its planned £13bn merger with long-distance carrier MCI, before crucial shareholders' votes on both sides of the Atlantic next month.

At a series of road-shows for the US investment community over the next few weeks, BT will seek to head off any moves by shareholders to sell their stock immediately after the merger is completed, risking a downward spiral in the price. BT has claimed the tie-up will boost the two sides' profits by £500m in five years through improved global marketing and savings on equipment procurement.

Under the terms of the deal, existing MCI shareholders will get 5.4 shares in BT - which will be renamed Concert after the two companies' business communications joint venture - and \$6 per share in cash. US investors are to vote on the merger at MCI's annual meeting on 2 April, while more than 2 million

BT shareholders will be asked to approve the deal at an extraordinary general meeting at Wembley Arena on 15 April.

James Ross, telecoms analyst at stockbrokers Hoare Govett, explained: "There's obviously going to be some stock flowing back from the US because investors there won't want to keep it. The merged company won't sit so easily in their portfolios because it will clearly no longer be a domestic organisation."

The scepticism explains BT's plans to get permission to buy back up to 10 per cent of its shares immediately following the merger, which is due to be completed on 1 October. The move would enable BT to mop up any Concert stock dumped in the US. Shareholders will be asked to endorse the buy-back at the EGM in April.

What worries US shareholders most is that MCI's famously aggressive marketing-led culture, sharpened through bitter battles with arch-rival AT&T, will be swamped by BT's background as a bureaucratic state-owned monopoly. Though MCI's domestic US business will continue to be run mostly independently from BT, investors suspect the

UK management will exert a growing influence.

Moves by British executives to end MCI's long-standing policy of rewarding staff with generous share options is the most obvious example of the looming culture shock. MCI's annual report, filed this week, shows that options worth \$195m (£121m) were issued to staff in 1996, up from \$167m the year before. Insiders estimate the merger will create at least 200 MCI millionaires.

Mark Lambert of NatWest Securities sums up the problem: "Concert will be a very different vehicle to MCI. It'll have lower growth than the American business and be less highly motivated managerially. If MCI has a fantastic year, it all gets diluted if BT merely has a good year."

The gap in growth prospects from the two companies' traditional markets is also yawning. In the nine months to December BT's turnover grew by 4.3 per cent to £11.13bn. MCI's annual revenues in 1996 grew by 21 per cent, to \$18.5bn. It is hardly surprising that investors are sceptical about BT's claim that the deal will enable both companies to grow more quickly.



Culture clash: Gerald Taylor (left), chief executive of the 'attack organisation' MCI, and Sir Peter Bonfield, his BT counterpart

Conversely, British investors are having to get to know a lot more about MCI, which many regard as having historically put risk before reward. At the first analysts' road-show in Washington this week, MCI said it was considering accelerating its push into the \$100bn-

a-year US local telephone market as competition is gradually introduced. A 1996 law will progressively end the monopoly of local phone companies, the so-called Baby Bells, which were split off from AT&T in 1984. The changes will also allow regional operators to com-

pete with MCI in the long-distance market for the first time. So far MCI has pledged to invest \$1bn building local fibre-optic networks, of which some \$600m will be spent this year. However, Nate Davis, senior vice president of local markets, said investment could be

pushed much further and brushed off the threat from the regional operators in the long-distance market. "They are going to be spending their time protecting their market share. We are going to be spending our time taking market share as an attack organisation."

Global accord to end IT tariffs nears

The World Trade Organisation (WTO) is confident of signing a long-awaited global information technology accord this month to scrap tariffs and open the way for a vast expansion of the \$600bn (£370bn) global industry.

The WTO said yesterday that more than 90 per cent of countries needed for the accord had agreed to scrap tariffs on information technology (IT). The organisation added that "it was confident" that the rest would soon follow.

The US, the European Union, Japan and more than a dozen other countries had agreed in December in Singapore to remove tariffs on computer monitors, chips and other products by 2000. They set a deadline of 15 March to enlist other nations, and that process was largely complete, the WTO said.

Companies that make computer and telecommunications equipment, such as ICL, Racal, Psion, Hitachi and Samsung Electronics, stand to profit from an abolition of tariffs.

"We want tariffs to be lifted as quickly as possible," said Karl Leitenberger, an executive in the economic department of Siemens. German producers could benefit even more, because European tariffs and imports are high.

Renato Ruggiero, director-general of the WTO, said the Geneva-based arbiter of world trade had commitments from countries representing more than 90 per cent of the world market in IT products, "putting us over the threshold that was set for an agreement".

Siemens said an accord would save the company between DM70m and DM100m (£25m and £36m) a year starting in 2000, based on current imports. In December, LG Electronics, South Korea's second-biggest electronics producer, said it would double its overseas earnings if tariffs were removed.

The WTO said Malaysia, Thailand and India were among countries that pledged in recent days to scrap tariffs. Malaysia accounts for about 5 per cent of the global industry.

"This should give companies more financial muscle to offset sharp price competition in this industry," said Bernhard Rohleder, a spokesman for Eurobit, an industry group which represents 90 per cent of the European IT market. Most of the benefits would probably go passed on to customers, though an accord would help companies too, he said.

Import duties totalled 1.6bn euros (£1.13bn) in Europe last year, said Eurobit, which estimated the average computer would be \$500 cheaper without tariffs.

Halifax could have another £3bn to hand out after float

Jim Treanor
Banking Correspondent

Halifax Building Society could have more than £3bn to spend or return to its millions of new shareholders after it floats on the stock market in June.

The society will have the largest shareholder register in the UK when its 8.5 million members each receive an estimated average of £1,300 in free shares in the £12bn flotation that will result in Halifax becoming a bank. Halifax's strong financial position means that they could be in line for further bonus payouts after the flotation, provided they remain investors.

Roger Boyes, Halifax's group finance director, said yesterday that the use of the excess money was an urgent matter. "But, we're not going to kneecap it," he said.

"We have not ruled out repatriating capital to shareholders," Mr Boyes said. But he stressed this did not imply that Halifax would definitely return capital

to shareholders after the flotation. He pointed to alternative ways to use the money, such as making acquisitions, developing existing business or starting up businesses.



Mike Blackburn: "We intend to be one of the winners"

Mr Boyes refused to disclose the precise amount of excess capital Halifax will have after its flotation but analysts calculate that the sum could easily amount to £3bn.

Their calculations are based on the fact that Halifax has a tier-one capital ratio of 14 per cent. The Bank of England requires banks to maintain a ratio of 4 per cent but in practice most banks operate with capital ratios well above this level. Most high street banks have ratios between 8 and 10 per cent.

At 31 December, 1996, Halifax had £6.87bn of tier-one capital, which is essentially its reserves. It could function easily with half this amount of capital and still conform with its banking rules.

"The question now, the \$64,000 question, is what do we do with this... It has to be put to work," Mr Boyes said.

When Halifax becomes a bank it will come under pressure to produce the best possible returns for shareholders.

In the past, it has put its excess capital into its reserves while its banking rivals have redistributed surplus cash to shareholders.

"Our strategy is to put this capital to good use," Mr Boyes said.

Halifax yesterday reported pre-tax profits, before exceptional items, of £1.43bn in 1996, a rise of 6.6 per cent.

Mike Blackburn, chief executive of Halifax, said the society had restructured its senior management to reflect its main line of business.

"We intend to be one of the winners in what will be an overcrowded marketplace," he said.

The society took a 10 per cent share, or £1.15bn, of gross mortgage lending last year. This is less than its more traditional 20 per cent share of the mortgage market.

Mr Blackburn said pricing of mortgage offers had returned to more acceptable levels last year, although Halifax still spent £620m in offering cash-

backs and discounts to borrowers.

Unlike many other mortgage lenders, Halifax accounts for the incentives in the year in which they are incurred. It said since 1994/5 its profits had been reduced by £472m as a result of this accounting policy.

Aside from the core mortgage business, the society took an 8 per cent share of the new current accounts opened in the UK last year. It now has more than 1.6 million current account holders, a rise of 28 per cent during the year.

Halifax took an exceptional charge last year of £153m to cover the cost of its conversion to a bank and a charge of £296m to cover the costs of its integration and merger with Leeds Permanent. The total cost of that merger was £331m as £33m of costs were taken in 1995.

Since the merger, Halifax has reduced the number of branches and cut 1,200 head office jobs. It has also created 1,000 jobs in other business areas.

Pearson may face lawsuit

Magnus Grimond

The unauthorised discounting scandal which last month engulfed Pearson, the publishing to television conglomerate, deepened yesterday after a report that the US arm of its Penguin publishing subsidiary could face legal action from independent booksellers.

Penguin USA has already announced a \$163m (£100m) charge in the wake of the discounting scandal, the largest in the very largest booksellers. If the practice occurred after the consent decree was signed, Penguin may be in violation of a court order.

The company was one of several large US publishers which signed consent orders promising not to favour big chains with discounts. Michael Lynton, Penguin's chief executive since last year, said he didn't know yet which retailers were offered discounts.

Pearson is expected to give details of its investigation into the affair when it announces its annual results in two weeks. Market report, page 23

did not detail, at a meeting yesterday morning. The association hoped to make a further announcement in the next few days, he added.

A lawyer for the Association said the discounts could violate a consent decree the New York-based Penguin signed in 1995. According to Jerald Jacobs, a lawyer with Jenner and Block, the Washington firm that represents the ABA: "We believe Penguin was giving large amounts of credit to only the very largest booksellers. If the practice occurred after the consent decree was signed, Penguin may be in violation of a court order."

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Suppliers ask watchdog to block British Gas price cuts

Michael Harrison

Independent gas suppliers and gas consumers yesterday called on the industry regulator Ofgas to block new price cuts announced by British Gas, warning that they could destroy attempts to open up the market to full competition.

The calls followed confirmation that British Gas Home Energy is offering households in the South-west discounts of 12 per cent - equivalent to £40 off the average annual bill of £320 - in an effort to stem the loss of customers to rival suppliers.

The Gas Consumers' Council described the price reductions as "premature" while rival gas suppliers warned that if

British Gas went unchecked it could wreck the Government's attempts to liberalise the domestic gas market.

Clare Spottiswood, director general of Ofgas, immediately launched a four-week consultation exercise after which she will decide whether the price cuts should be allowed to stand. The new tariff applies only to customers paying by direct debit.

Since the South-west was opened up to full competition last April, British Gas has lost 14 per cent of the market. About 95,000 of the 500,000 households in Cornwall, Devon and Somerset have switched to rival suppliers, lured by discounts of up to 20 per cent on British Gas's standard tariff.

A second round of competition began among 600,000 households in Avon and Dorset last month and a third trial involving 900,000 customers in Sussex and Kent begins this Friday.

Peter Franklin, joint general manager of CalorGas, one of the biggest independent suppliers in the South-west, with about 45,000 customers, said: "We are extremely concerned at this move, which poses a significant threat to the development of competition. British Gas is still nine times the size of the next biggest supplier and competition is still only in its infancy. This is abuse of a dominant position designed to frustrate the growth of competition and

bring back what amounts to a private-sector monopoly."

He also pointed out that the South-west was the most expensive area of the country to supply, being furthest away from the east coast, where gas comes ashore. By cutting prices in the region and keeping them higher elsewhere, British Gas was using monopoly profits from areas of the country where it did not face competition to subsidise the South-west.

Alan Liss, managing director of Beacon Gas, which has signed up 40,000 customers for the trials in Sussex and Kent starting later this week, said: "We will be objecting very vigorously. British Gas should not be allowed to start competing on price until it

has lost at least 50 per cent of its domestic market."

Sue Slipman, director of the GCC, said the British Gas move could widen the already large price differential between rich and poor customers and said it remained unconvinced that sufficient competition had built up.

Mike Alexander, managing director of British Gas Trading, defended the move, saying that one in four direct debit customers in the South-west had already switched to more competitive suppliers since last April, proving that competition was now fully established.

A special hotline opens today for customers to request application forms. Any customers who telephone asking to switch

to the new tariff can give their meter reading and go on to the tariff immediately.

Rivals fear that if the price cuts are allowed to stand then British Gas will be able to repeat the tactics in other trial areas more quickly. According to industry estimates as many as 110,000 customers in Sussex and Kent - 12 per cent of the market - could switch suppliers on day one. In the South-west trial the comparative figure was 7.5 per cent.

Mr Liss of Beacon Gas, a joint venture between Amoco and the local electricity supplier Seeboard, said that if the regulator did not step in, British Gas could be competing on price and winning back customers within six months.

Millionaire behind Lotus killed in crash

Michael Harrison

The Malaysian millionaire Tan Sri Yahaya Ahmad, who took control of the Norfolk-based car maker Lotus in a £51m deal last year, was killed along with his wife in a helicopter crash on Monday, it was disclosed yesterday.

The news cast a pall over the Hethel factory, shocking Lotus's 1,100 workers and producing a flood of tributes to Yahaya, who was a close friend of the Malaysian Prime Minister Dr Mahathir Mohamad, and one of the country's most powerful businessmen.

Yahaya, 50, was chairman of the giant Malaysian holding company Hicom, which owns the car maker Proton and several other industrial, export, finance and banking companies.

He invested £10m of his personal fortune in the takeover of Lotus last October, taking a 16 per cent stake in the company. Proton took a further 64 per cent giving the Malaysians a controlling 80 per cent stake.

News of his death emerged on the same day as Lotus announced further investment at the Hethel plant on new engine test facilities. Under its new ownership, production is being expanded to 2,500 cars a year with output of the Elise model

due to increase from 750 last year to 1,900 in 1997. Production of the Esprit is expected to rise from 300 to 400 cars a year.

A spokesman said that Yahaya's death would not affect his investment plans, although he was unable to say what would happen to his shareholding.

Romano Artioli, the Italian entrepreneur and former Lotus chairman who brokered last autumn's deal and still retains a 20 per cent minority stake, said: "Tan Sri was a great friend of Lotus who believed in the company traditions and appreciated the exceptional ability of its engineers. He had a great vision for the future of the company and we will ensure that we succeed in carrying through this vision."

Yahaya and his wife were killed flying to the eastern state of Pahang. The pilot of the helicopter was also killed. The cause of the crash is under investigation.

Yahaya, an automotive engineer who gained a degree from Loughborough University, was one of a handful of well-connected ethnic Malay, or "Bumiputera", entrepreneurs groomed to boost efficiency and bolster exports from Malaysia's lumbering state enterprises. In 1995, he took the reins of Malaysia's "national" car maker, Proton.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996/97 High	1996/97 Low
FTSE 100	4357.70	+50.60	+1.2	4357.70	3632.30
FTSE 250	4666.60	+12.10	+0.3	4666.60	3013.30
FTSE 350	2154.40	+20.90	+1.0	2154.40	1816.60
FT Small Cap	2352.16	+17.90	+0.8	2352.16	1954.06
FT All Share	2125.38	+19.11	+0.9	2125.38	1791.95
New York	6828.15	+9.23	+0.1	7067.46	5032.94
Tokyo	18854.78	+135.65	+0.7	22665.80	17303.65
Hong Kong	13450.08	-57.20	-0.4	13868.24	10204.87
Frankfurt	3320.95	+56.80	+1.7	3320.95	2253.36

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
1 Month	1 Year	Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago
UK 0.00	6.68	7.19	7.77	7.29	7.91
US 5.34	5.94	6.58	6.95	6.82	6.37
Japan 0.41	0.65	2.41	2.22	-	-
Germany 3.22	3.18	5.53	6.75	5.35	-

CURRENCIES					
£/\$	£/DM	£/¥	£/A\$	£/NZ\$	£/HK\$
Yesterday	Yesterday	Yesterday	Yesterday	Yesterday	Yesterday
1.6172	0.6184	1.5282	0.6184	0.55	0.6544
1.6025	0.6240	1.5275	0.6240	0.53	0.6547
2.7844	2.1901	2.2553	2.1901	1.6001	1.4758
197.009	171.333	160.675	171.333	105.140	105.140
98.5	104.1	83.6	104.1	0.8	95.6

Source: FT Information

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Could any management with such a stash burning a hole in its pocket really be expected to adopt such a sensible approach? Bitter experience suggests not

What will Halifax do with all that money?

What an extraordinarily wealthy beast Halifax Building Society is turning out to be. The first surprise was that this stodgy old institution should be worth anything at all when floated on the stock market this June. It will be valued at upwards of £12bn, a sum that past generations of members would not have believed possible. The second, revealed in glorious technicolour by yesterday's full-year results, is that Halifax contains within it an embarrassment of riches that have the potential to wreak havoc in the saving and mortgage lending markets.

The profits first. An increase of "just" 6.6 per cent to £1.43bn may not seem much set against some banks, but it actually rather understates the position. Halifax has chosen the conservative approach in accounting for the cost of mortgage incentives, writing them off against profits in the year they are incurred - £626m of it last year. Others, including Lloyds-TSB, Woolwich and Abbey National, have been less guarded in their approach, choosing to amortise these costs over several years.

But the real talking point about these results is that seemingly arcane thing - tier one capital. Halifax's ratio of free capital to liabilities at 14 per cent is about double the norm for UK high street banks and even more comfortably in excess of recommended international levels. A swift back-of-the-envelope calculation reveals that this leaves Halifax with roughly £3.5bn of surplus capital to spend.

So what to do with all that money? There are three options - spend it on acquisitions, spend it on organic growth by launching a fierce price war in existing markets, or give it to shareholders. Of the three the latter would seem to have most to commend it. There will be millions of members trying to dump their free shares in the early months after flotation. Designing a scheme to mop up all that excess with the company's own money would surely be a comparatively easy thing.

This, however, may be to expect too much from a management which has already begun to talk all misty-eyed about its long-term "mission". Could any management newly unleashed on the publicly quoted sector, and with such a stash of money burning a hole in its pocket, really be expected to adopt such an eminently sensible approach? Bitter experience ought to suggest that it could not. The Halifax "mission" is to become "the leading provider of personal financial services in the UK". Halifax certainly has the money and the size to buy that position, but has it also got the nous? The risk of profligate use of capital seems high.

Picture at ICI is not what it seems

Times are hard round at ICI. Sir Ronnie Hampel, who divides his time between chairing the company and trying to decide whether the corporate governance fascists

have gone far enough, took a £654,000 pay cut last year after ICI's profits fell off a cliff.

Quite right too, you might think from the man who has been handed the baton by Sir Adrian Cadbury. What better example of boardroom probity, responsibility and accountability could there be than this sacrifice from the chairman of the Hampel Committee?

The magnanimity did not stop there. Charles Miller Smith, drafted in as chief executive from Unilever two years ago, also saw his remuneration dwindle, although by the less spectacular amount of £84,000. Ditto the rest of the boardroom team who took their share of the pain as profits plummeted by £348m and earnings per share shrank by a half.

This collective donning of the hairshirt is not quite what it seems at first glance. Nearly all of the reduction in Sir Ronnie's pay was due to two factors: moving from the chief executive's job to the role of chairman and the payment in 1995 of a whopping £425,000 bonus for pulling off the Zeneca demerger.

For all ICI's woes, Mr Miller Smith still pocketed £500,000 just for turning up to work in 1996. Rob Margents, who has been put in charge of ICI's problem child, industrial chemicals, got an increase in his basic from £285,000 to £325,000 while the finance director, Alan Spall, went from £267,000 to £310,000.

But hey, guys, just remember that no one got an annual bonus in 1996. Given the company's parlous financial performance that is scarcely surprising. What may puzzle shareholders is why anyone took home a bigger basic when profits and earnings were going in the other direction.

The game is up for Littlewoods' stores

James Ross is absolutely right to sell Littlewoods' retail arm - it is a dull business which has shown no response to the intense care lavished on it in recent years. Whether he is likely to achieve the price he wants is less clear cut. His claim that Littlewoods will only sell the business as a going concern is so much hooey. No one would want to run the stores as they stand, so this is only ever going to be a property deal and the £450m Iceland was prepared to pay for the sites a year ago may not be so very different from the price tag Asda or Tesco might attach to the sites.

The extent of the operation's problems was

underscored by yesterday's announcement of flat operating profits in the year to December. Despite pouring £140m of capital investment into the business over the past three years, profits still languish well below the level they achieved in 1993. With like-for-like sales growing at only 3 per cent in the run-up to Christmas, barely half the rate achieved by sharper peers, Mr Ross has realised the game is up for this tired old brand.

For Littlewoods the company, the decision to sell marks an extraordinary U-turn in strategy. Three years ago, when Littlewoods last assessed its mix of businesses, the future was said to lie in retail. It was mail order that was earmarked for sale. Still, one of the merits of wholesale management clear-outs is the opportunity they give new brooms to reverse their predecessors' mistakes. Littlewoods has a tiny share of the high street and has proved itself inadequate to the task of keeping up with the increasingly competitive pace. In mail order, if it gets the MMC's nod on the planned Freemans deal, it will at least be neck and neck with GUS with a quarter of the market.

There is a lot to do at Littlewoods, especially if the rumoured flotation is less off-the-agenda than Mr Ross claims. The group finds itself in the unenviable position of earning a poor return of 8 per cent on its employed capital, a full 3 percentage points lower than the cost of those funds. If the Moores family is unhappy with that, the City is unlikely to be any more impressed.

Retail concerns: Tough time for furniture chain ■ Buyers are sought for high street straggler

MFI shares crash after slow trade warning

Magnus Grimond

Shares in MFI Furniture crashed 40.5p to 156.5p yesterday, wiping £229m off the market value of the UK's biggest furniture retailer, after it warned of a sharp slowdown in second-half trading. The news, covering MFI's crucial new year sale period, underlines the still-fragile state of the housing market, which tends to lead sales of the sort of fitted kitchens, bedrooms and housewares sold by the group.

Similar retailers fell in sympathy, with Carpetright sliding 20.5p to 604p and DFS, the furniture group, wiping 14.5p to 595p.

In a scheduled trading update, MFI revealed that underlying sales growth in the UK had almost halved from 13.5 per cent to just 7.1 per cent in the 16 weeks of the second half to date, including the 10-week sale period to 2 March when it traditionally achieves around 30 per cent of its annual turnover.

John Randall, chief executive, said: "In September, I made it clear we had not seen any improvement in the housing market and I don't see any reason to change that view. I don't think it's anything like enough to talk up a boom and I don't think it is anything like enough to sustain the sort of sales increases we saw in the first half."

But he admitted he was at a loss to explain why trading had decelerated so much across the year. In December, the group announced a 62 per cent jump in profits to £33.7m for the first half and most analysts had been

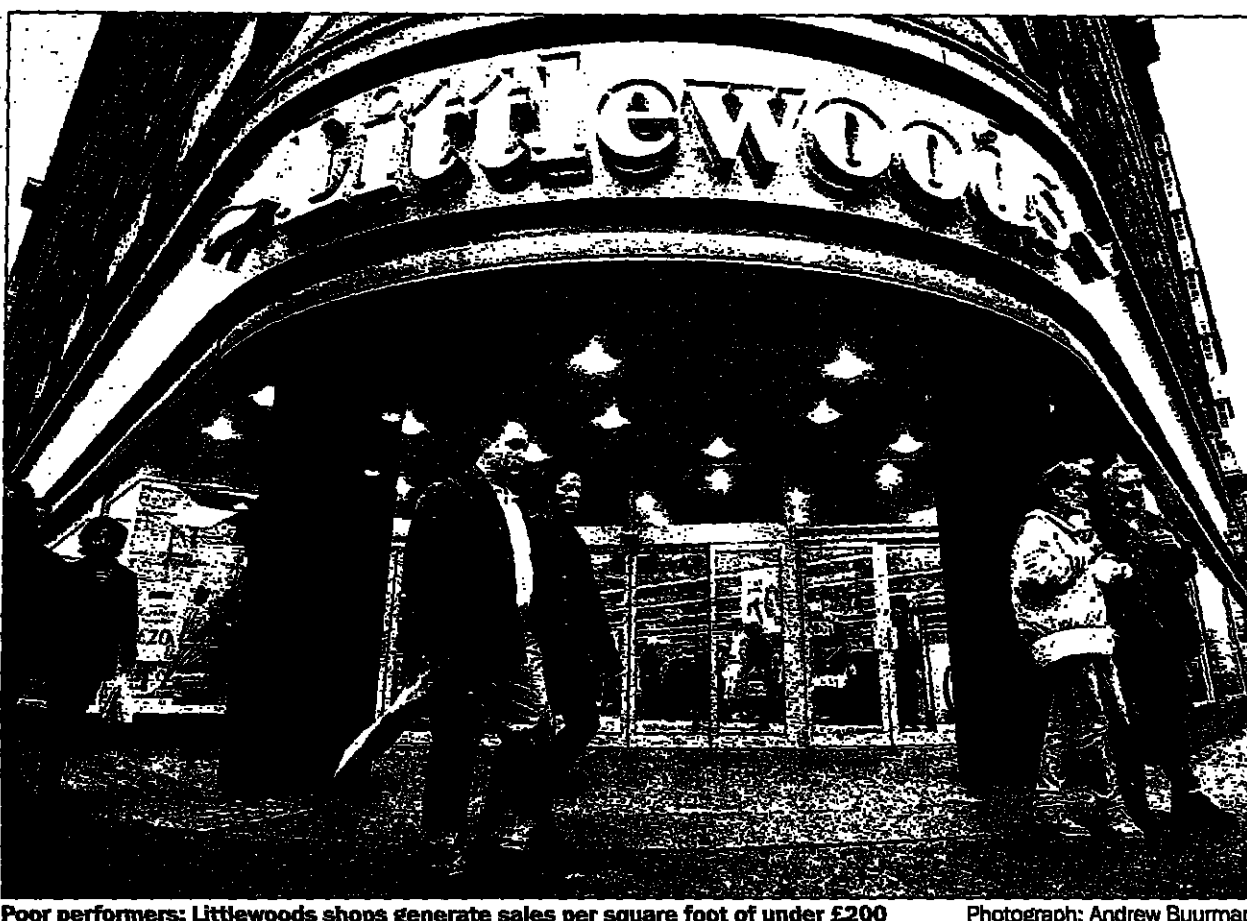
factoring in a continuation of the first-half sales trend on the back of improvements in the housing market. Yesterday's full-year forecasts tumbled from as high as £90m to around £70m to £80m for the current year and from £100m to between £90m and £100m for 1997-98.

Tony Street of Barclays de Zoete Wedd, a long-time bear of the shares, said yesterday's news "emphasised the volatility and unpredictability of MFI's performance". He said he had always been a seller because of the cyclical nature of the group.

"I always thought this was going to be its peak year, or maybe next year. There is probably going to be some sort of tightening of policy towards the consumer next year by the new government." This was likely to outweigh any revival in the housing market, building society windfalls and the effects of the group's new Homeworks format, he suggested.

MFI said sales through Homeworks, designed to give an airier feel to stores selling a wider range of household goods, were growing in double-digit percentages, while those in unconverted stores were going backwards at a "modest" percentage rate. Eighty-one of the group's 185 outlets are now converted to Homeworks and Mr Randall said they would do the rest over the next two years.

He dismissed fears that the growth differential between the two chains could be widened in the autumn when the group plans to switch the emphasis of its national advertising from the MFI to the Homeworks brand.



Poor performers: Littlewoods shops generate sales per square foot of under £200

Photograph: Andrew Buurman

Littlewoods stores up for sale

Tom Stevenson
City Editor

Tesco, Asda and Kingfisher were being tipped yesterday as the most likely bidders for the 135-strong retail chain put up for sale by mail order to pools group Littlewoods.

Littlewoods said it was inviting bids for the business but moved to quell unrest among its 10,000 retail staff yesterday by saying it would only sell the underperforming high street stores if it was able to sell the whole business as a going concern. It also said it would keep the operation unless it achieved a reasonable price, thought to be well in excess of £500m.

The shop workers' union, Usdaw, expressed anger at the way the proposed disposal was leaked to the press before staff were consulted. Michael Gor-

don, a union spokesman, said: "I shall be seeking a firm commitment from Littlewoods... that any prospective buyer will guarantee continuity of employment and pension rights for our members."

James Ross, the former Cable & Wireless chief executive who took the helm at Littlewoods last year, said it had decided to sell its stores operation following a strategic review and consultation with the Liverpool-based group's 32 shareholders.

The family is understood to have become impatient with the retail division's lack of progress and came close to selling the company at the end of 1995 when a consortium put together by Sir David Alliance of N Brown was narrowly rebuffed. Mr Ross said yesterday a sale of the whole business was not

a possibility and a rumoured flotation was off the agenda.

Littlewoods is Britain's largest privately owned company, wholly owned by members of the family of John Moores, who founded a pools business in the 1920s before diversifying into mail order and then moving onto the high street in 1937. The decision to sell the shops reverses the group's policy in recent years when it planned to sell the mail order side and concentrate on retail. In the meantime, the shops have continued to fall behind their peers with sales per square foot of under £200 a shadow of the estimated £600 generated by rival Next.

The poor performance of the shops, where like-for-like sales growth in the run-up to Christmas was a below-average 3 per cent, means profits from the division still languish £5m

below the £38m achieved in 1993 despite the investment of £140m of capital in the interim.

Mr Ross said he expected interest from around half a dozen potential buyers and he hoped to have secured a bid within three months. The company declined to say what would be an acceptable price for the business but described a £450m offer made by frozen food retailer Iceland in 1995 as "wholly inadequate".

Following any sale Littlewoods would focus on its home shopping and pools businesses and would reinvest the proceeds in its mail order operations where it is proposing to acquire Sears' Freemans business for £390m.

Littlewoods announced a 15 per cent rise in pre-tax profits for the year to December from £97.3m to £112.1m.

IN BRIEF

Prism orders 44 trains from Porterbrook

Prism Rail awarded a contract worth £17m a year for 44 new trains to Porterbrook Leasing, owned by Stagecoach and ADtranz ABB Daimler-Benz Transportation. The trains will be supplied to Prism's LTS Rail subsidiary, which runs the London to Southend line, by November 1999. They will replace slam-door carriages, most of which are over 30 years old, and will be leased from Porterbrook and made and maintained by ADtranz. Separately, Porterbrook won contracts from West Midlands Passenger Transport Executive and Central Trains for the fleet management of 12 Class 323 vehicles. The initial contract for seven years is valued at £13m and, including future lease options, totals £33m.

German current account deficit at DM3bn

Germany had a current account deficit of DM3bn (£1.1bn) in December, compared with a revised surplus of DM400m in November, the Federal Statistics Office said. November's surplus was originally reported as DM200m. The trade surplus declined to DM7.2bn in December from DM9.8bn in November. For the whole of 1996, Germany had a current account deficit of DM26.6bn and a trade surplus of DM97.6bn, compared with a current account deficit of DM29.9bn and a trade surplus of DM85.3bn in the previous year.

Profits fall at Transport Development

Transport Development Group announced a fall in full-year taxable profits from £36.08m to £35.18m, and held the dividend payout at 9.5p. Martin Llowarch, chairman, said: "Logistics markets continue to be tough and despite undoubted growth potential, margins overall are not improving significantly and remain too low across the sector." The consolidation of the industry, which was much discussed in 1996, had not happened, he added. "In 1997, we do not expect an early improvement in the hire division's profits, and the employment costs we have incurred to equip ourselves to achieve renewed growth in our logistics division will take time to produce results."

JIB Group returns to the black

JIB Group, the insurance company, reported a sharp turnaround from losses of £49.6m to profits of £27.54m in 1996, but said competition, low interest rates and the strength of sterling remained challenges for the insurance broking business in 1997. There is a second interim dividend of 5p, lifting the total payout to 8.5p (7.5p).

Wiggins to take over Tomorrows Leisure

Wiggins Group made an agreed £16.2m takeover bid for Tomorrows Leisure. The offer will be made on the basis of one new Wiggins share for every Tomorrows Leisure share. Wiggins already has 25 per cent of Tomorrows Leisure and has been represented on the board since January 1995. Oliver Jay, chief executive of Wiggins, said: "This merger will allow us to unlock the potential of Tomorrows Leisure's prime development sites in Essex and Liverpool."

Redundancies cost Greenalls £7.3m

Greenalls Group, the pub and hotels company, is to take a £7.3m charge in the current year to September as a result of a reorganisation and redundancy programme which is set to cost some 100 divisional head-office jobs. The company said it is to merge its Premier House operations with its managed pub division and to transfer 245 managed houses to its franchise division.

Computer Cab prices AIM flotation

Computer Cab has priced its AIM flotation at 80p per share, giving a market capitalisation of £8.25m. The company is to place 4,875 million shares and expects to raise £3.3m. First dealings in the shares are expected on 4 April. The placing and offer for subscription will provide funds for the installation of its mobistar satellite-based global positioning system, reduce reliance on bank finance and provide working capital. In the year to September 1996 Computer Cab made pre-tax profits of £512,000 (£452,000).

'Cool Britannia' lifts exports to South Korea

Andrew Marshall
Seoul

British exports to South Korea leapt by 25 per cent last year, according to the latest figures compiled in Seoul. But the good news is mixed with concern that a campaign against imports of luxury Western goods is hitting British trade.

Britain exported £2.9bn (£1.8bn) worth of goods to South Korea last year, up from £2.4bn the year before. It is gaining market share over other EU countries: though Germany and Italy both export more (£7.2bn and £3.1bn respectively), Britain's increase in exports is far greater than the average EU increase of 17 per cent. Britain is the seventh largest exporter to Korea, behind the US, Japan, China, Germany, Australia and Italy. Britain imported £3.2bn of goods from Korea in 1996, leaving a small and shrinking trade deficit.

South Korea, one of the most dynamic economies in East Asia, is a leading target for ex-

ports around the world. It has recently gained entry to the Organisation for Economic Co-operation and Development, and has an average growth rate of about 8 per cent per annum, though growth slowed last year.

British business and government have put considerable time and effort into promoting trade and investment relations with Korea, and the evidence is that this is paying off. The biggest growth in exports in the last year has been in machinery - printing machinery, machine tools, engineering components - electrical machinery and aerospace goods. This year, Britain is hoping to capitalise on its strengths in the Korean market through a series of trade shows, visits and exhibitions linked to the bicentenary of the first Briton to arrive in Korea.

One of the key aims is to shift the perception of Britain from the traditional idea of a nation steeped in history but ill-suited to produce modern goods, and to promote a kind of "Cool Britannia" image of a country which

is modern, technologically skilled and fashionable. Amongst the companies to promote their goods will be Paul Smith, the leading men's clothes designer.

But something of a shadow has been cast over trade relations by a strenuous campaign in Korea against luxury Western goods. The Korean government has become concerned by the rise in the country's trade deficit, which it blames partly on the taste of the nation's wealthy for the trappings of the Western good life.

British officials and businessmen say that this is translating into administrative restrictions on imports. The Korean government rejects this, saying that no official action has been taken.

British officials claim there is tax discrimination against luxury imports in favour of local spirits. But there have also been protest rallies against Western products, and British officials say officials are imposing the import of whisky through extra paperwork and customs checks. Similar problems afflict exports of silk ties and cosmetics.

Boeing expects plane orders to top \$1,100bn

Boeing yesterday increased its forecast for the number of new airplanes that the world's airlines will order over the next 20 years from 15,900 to 16,160.

The orders will be worth about \$1,100bn (£680bn), claims Boeing in its annual report on the market for new passenger aircraft. Demand for new airplanes would be driven by a 4.9 per cent average annual increase in air traffic, Boeing said.

"The industry continues on the upswing," said Bruce Dennis, vice president for marketing at Boeing's commercial airplane group. "It looks good out there."

However, Boeing's forecast for the increase in air travel was slightly less optimistic than it was last year.

The company predicted then that air travel would grow 5.1 per cent a year through to 2015, compared with yesterday's revised forecast of 4.9 per cent to take account of slower growth in the US.

Boeing's orders have been

improving since 1995, when airlines started to replace ageing fleets. Airlines have also been increasing the size of their fleets.

Orders for Boeing aircraft almost doubled to a record \$33bn in 1996.

The world's largest commercial airplane maker took orders for 717 aircraft last year, compared with 346 in 1995 and just 120 in 1994.

Mr Dennis said the Seattle-based airplane maker would see strong orders again this year, though he declined to be specific. Boeing will produce 40 airplanes a month in the fourth quarter of this year, its highest output.

There are about 11,500 jetliners flying today, 7,000 of which were made by Boeing. The world's fleet will grow to 23,600 passenger and cargo planes by 2016.

That number accounts for older planes that are retired from service.

The biggest demand for new aircraft will come from Asia,

where Boeing expects air travel to grow 6.6 per cent a year, compared with 3.1 per cent in the US.

Airlines in the Pacific will account for 33 per cent of the \$1,100bn that will be invested in new planes in the next 20 years.

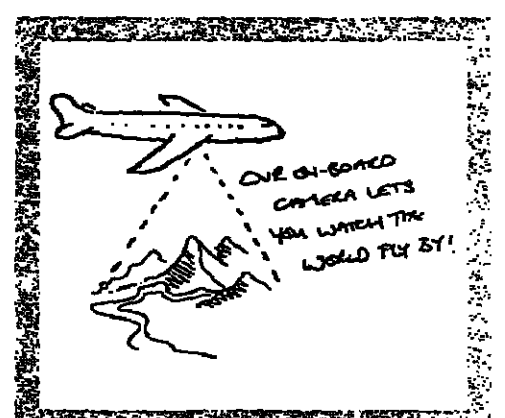
There would be more demand for smaller airplanes, carrying between 100 and 240 passengers, Boeing said.

That segment of the market will account for 43 per cent of all aircraft investment. The smallest market will be for planes that hold more than 400 passengers, including Boeing's 747, the world's largest commercial aircraft. About 18 per cent of all investment will be for larger planes.

A few weeks ago, Boeing cancelled work on two larger versions of the 747 capable of carrying more than 500 passengers.

Boeing said the small size of the market didn't justify spending as much as \$7bn developing the planes.

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THE INVESTMENT COLUMN
EDITED BY TOM STEVENSONSmith & Nephew
bruised by the
pound's strength

Persistent rumours that Smith & Nephew is to be the target of a takeover bid from rival US healthcare giant Johnson & Johnson has been the only thing to enliven a dull performance over the past few weeks. Although that heavy old chestnut has been revived of late, it was more the confirmation that the pound could hamper profits this year than further denials of bid approaches that hit the shares yesterday. John Robinson, who is to step up to the chairmanship at the end of 1997 after 15 years in the chief executive's seat, warned the currency hit this year at current rates could be £12m. The price duly sank 7.5p to 183.5p.

The healthcare group, which stretches from Elastoplast to artificial skin, also disappointed with preliminary figures at the bottom end of expectations. Pre-tax profits crept ahead 1 per cent to £179m in the 12 months to December.

Despite its tinge of biotechnology, many of Smith's products, which include the humble plaster of Paris, sell into very difficult markets. The US, accounting for just over two fifths of sales, remains a running sore. The consolidation of customer groups like hospitals and healthcare management organisations is squeezing margins. Despite some cautious optimism at the half-way stage, average selling prices still slipped 3 per cent in 1996. Mr Robinson compares the medical products market with the pharmaceutical industry went through in the early 1990s and suggests on that basis his business could be enjoying inflation-led price rises by 1998.

That could prove optimistic as long as Europe is such a mixed bag. Smith & Nephew is outpacing the market in Germany, which remains a target for some of its £500m acquisition firepower, but France has seen price cuts of up to 15 per cent. In the UK sales growth slowed from 12 to 3 per cent as no new products from Smith were approved for prescription use and the group faced competition from parallel imports and Far Eastern competition.

Given that background, Smith is doing a decent job. In the US, for instance, overall sales grew 9 per cent against a 3 per cent decline in the market. In wound dressings and

the like, the group has soared from number six position to number three in three years on the back of products like its Allevyn dressings. Acuflex, the maker of tools for minimal invasive surgery, is looking a good buy, helping to power the 13 per cent underlying growth in endoscopy sales last year.

But currency and the £5m cost of launching the Dermagraft artificial skin product later this year is likely to keep profits flat in 1997, so the forward p/e remains an unexciting 16. The main hope remains Dermagraft, which is on track and could yet surprise. Hold.

Wetherspoon
has right mix

The JD Wetherspoon juggernaut keeps motoring, with half-year figures to the end of January showing a 44 per cent rise in sales, pre-tax profits up 46 per cent to £8.1m and earnings per share up 39 per cent to 2.5p.

The shares, some of the most highly rated on the whole market, have fallen back from the highs reached at the end of last year but at 1140p, down 2.5p yesterday, they have risen about eight-fold since the company floated four years ago. The market loves growth stocks like Wetherspoon but is nervous about them and the company is right to stress that what investors think they see is what they actually get.

Depreciating pubs to the tune of £50,000 a year each is more prudent than strictly necessary and certainly more prudent than any of its peers. Importantly that policy means cash flow is much stronger than earnings per share, always a good sign in a fast-growing company.

Wetherspoon is one of those shares that always looks expensive but never is as long as you have faith in the company's ability to continue growing earnings per share in excess of 30 per cent a year. A daunting price/earnings ratio is reined in to more comfortable levels as long as that continues. Fortunately at Wetherspoon there is every reason to believe it will.

Wetherspoon's earnings growth is driven by new openings, not like-for-like sales improvements, which at about 3 per cent are nothing spectacular. With only 146 pubs open at the start of the period, however, there is still plenty of scope for growth with the formula of big, music-free pubs with food all day and smoke-free areas seemingly what people want both outside the London heartland and in quite small towns. If Wetherspoon's pubs work in towns of as little as 15,000, as they seem to, then the company's target of 1,000 pubs is probably conservative.

On the basis of Merrill Lynch's forecast of £18.5m profit this year and £27.5m next time the shares trade on a prospective price/earnings ratio of 24 falling to 19. Buy.

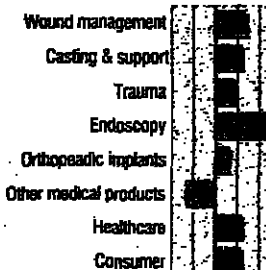
Smith & Nephew: At a glance

Market value: £2.04bn, share price 184.5p

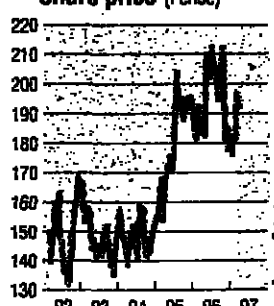
Five year record	92	93	94	95	96
Turnover (£m)	858	949	965	1,026	1,089
Pre-tax profits (£m)	155	165	177	177	179
Earnings per share (pence)	10.2	10.8	10.8	10.3	10.9
Dividends per share (pence)	4.62	4.91	5.28	5.65	6.0

Underlying sales growth

by product (%) -10 -5 0 5 10 15



Share price (pence)



Ushers offers attractive discount

As expected, Ushers of Trowbridge opted for a pretty conservative multiple of earnings on which to pitch its second attempt at coming to the market. The 110p-a-share announced yesterday puts a price tag of £109m on the regional brewer and pub owner, an undemanding historic price-earnings ratio of 11.5 times.

That represents an attractive discount to the sector and market, which reflects understandable caution from broker Panmure Gordon after the failed flotation attempt two years ago when investors worried about the company's dependence on one large brewing contract from Courage.

The discount was certainly

a big enough incentive to attract subscribers for two-and-a-half to three-times the 37 million shares on offer and a reasonable premium looks assured when dealings start next Monday.

Ushers in its present form was put together through a management buy-in by ex-Grand Met brewing executives in 1991. The brewery came from Grand Met while 433 pubs were acquired from Courage. Since then more pubs have been bought to build an integrated group with 541 outlets and a range of other contracts for both brewing and packaging. That troublesome Courage contract is now much less important in group terms.

The current management has performed well so far but it faces an uphill struggle from hereon in. A concentration on tenancies makes Ushers unfashionable to a market in love with managed estates and the performance of other regional brewers suggest the consolidation of the industry has done little for anyone but the majors. Manns, the one national brand, is not strong.

That said, Ushers is plainly well run and after the flotation will no longer be constrained by high levels of debt. With profits for the year to October pencilled at £15.3m, and with a tax charge of only 26 per cent, the shares trade on a prospective p/e ratio of 9. Good value.

Singer's chief executive is a dancer too

PEOPLE & BUSINESS

Here's a fascinating picture of John Hodson, chief executive of Singer & Friedlander, the merchant bank, participating in a rehearsal for a new arts project which the bank is sponsoring.

The Miracles Project has been set up to encourage young people in London to get involved in the performing arts. Nearly 1,000 young Londoners will perform in a Royal Gala Performance at Royal Albert Hall on 24 April. The National Heritage Arts Sponsorship Scheme will match pound for pound whatever Singer puts in.

Mr Hodson said: "We've gone for this because it is a different kind of sponsorship. It carries on a tradition at the bank of music and arts patronage, of encouraging new ideas."

One person, however, has reservations about Mr Hodson's involvement. His 18-year-old daughter, copying this photo, wailed: "Oh no, Dad, nobody's going to see this, are they? I don't know - I think Hodson Senior comes over rather well."

City spin doctors are gauging their teeth at rumours that ever-youthful Tim Trotter, chairman of Ludgate Communications, a PR firm, has pocketed £6m from last Friday's sale of the company to American advertising behemoth McCann-Erickson.

Mr Trotter laughs at such a suggestion: "I can't complain, but I can't comment on what I've received or what others have received."

What will make rivals even more envious is that McCann is planning to rebrand all its global financial and corporate PR under the Ludgate label.

Thus Ludgate will expand from its three-legged stool of London, New York and Hong Kong to a possible 110 countries where McCann operates.

Other lucky beneficiaries of McCann's largesse include



Working miracles: John Hodson rehearses with some children at a West London community centre

David Simpson, an ex-Observer employee who is chief executive of Ludgate's London office, Kay Breakstone, head of the New York outfit, and Martin Spurrier in Hong Kong.

As for institutional investors, CinVen backed Ludgate for five years before selling out to Gramville last July. Both did well out of Ludgate, said Mr Trotter, who concluded: "We've made two venture capital firms very happy."

City bar-room gossip has it that former chairman of Dresdner Kleinwort Benson, Simon Robertson, who resigned in a huff last Friday, is off to BZW.

Sources close to the Barclays-owned investment bank pool-pool the idea as "just idle gossip. Anyway, he's away skiing." A source closer to Mr Robertson said: "He's around London at the moment." Wherever he is, we await his new resting place, with baited breath.

If he does go to BZW, he will meet a stream of analysts going in the opposite direction. Chris Grant, a buildings analyst, is the third analyst to leave BZW since I wrote about the exit of merchant bank specialist Philip Gibbs last week. Mr Grant joined NatWest yesterday, obviously undeterred by any £50m holes hitting his bonus.

Mark Rubenstein, finan-

cials, has gone to Schroders, while Charles Winston, brewer, has also flown the coop.

The crisis in Albania dominated proceedings at yesterday's launch of NatWest Bank's pensions manifesto, "A Changing Nation".

NatWest is launching the document because it feels that "something must be done" following the pensions mis-selling scandal. No doubt it will be launching a "traded options manifesto" on mispricing soon (sorry, I couldn't resist it).

Patrick Minford of Liverpool University, formerly a Government "wise person", told the audience in Bishops-cate that the UK's Pave

scheme is "a state-run pyramid scheme" of the type that has gone so horribly wrong in Albania.

Professor Minford said there was no prospect of a young person paying Pave ever getting his or her money back on retirement.

Professor George Yarrow, a privatisation expert from Hertford College, Oxford, then ploughed in, saying that "everyone receiving a small state pension is currently paying an Albanian tax of 100 per cent on that pension".

This is because the state pension is actually below income support, said Professor Yarrow. Perhaps they should send a UN force into Whitehall.

General Accident rules out
further UK life acquisitions

Jim Treanor

General Accident yesterday ruled out further life and pensions acquisitions in the UK following last year's purchase of Provident Mutual, saying it would now concentrate on expanding the business organically.

Bob Scott, group chief executive, said the insurance group already derived 25 per cent of its operating profit from this sector but expected this to grow in the years ahead.

"Provident Mutual gave us a strong pension capability... to get strong organic growth," he said.

"We've got the benefits of scale in our major businesses. We don't have to do anything."

However, he said GA would be willing to pick up further acquisitions in the US Midwest.

The Perth-based insurer, which yesterday unveiled a £15m fall in group operating profits to £421m for 1996, revealed that it had incurred £16m of costs integrating Provident Mutual into its existing operation. Net of the charges, Provident chipped in £18m to group profits.

Despite the fall in the annual result, the fourth quarter produced a record result of £112m for GA, up from £84m in 1995. Mr Scott said the three months' figures had been boosted by the absence of bad weather during the period and very good results in North America.

Bad weather was part of the reason for the dip in profits earlier in the year. "With a record fourth quarter we have maintained an excellent operating profit in 1996, achieved despite severe weather losses," said Mr Scott.

Analysts pointed out that the £30m rise in severe weather losses more than accounted for the £15m profits shortfall for the year, which was less than consensus expectations. The total dividend for last year is being raised 10.5 per cent to 34.25p, ahead of forecasts, helping to push the shares 10p higher to 847p yesterday.

The outlook for insurance premium rates continues to be mixed. General Accident

echoed recent comments from Commercial Union and Guardian Royal Exchange that there were signs that motor rates were starting to firm.

Mr Scott said: "There are signs that in personal motor, rating increases are coming through. We're putting another increase through in commercial motor." GA sees no signs of rate increases in the home-owner or commercial sectors.

In the US, excluding the effects of bad weather, Mr Scott saw an improving underlying trend in underwriting performance. In Canada, a substantial improvement was achieved and Pilot, its motor insurance subsidiary, produced excellent underwriting results.

Century Inns adds 65 pubs to portfolio

Century Inns, the rapidly expanding pub operator, yesterday announced the purchase of another 65 tenanted pubs from the Pub Partnership Company for £9.1m cash. The deal takes Century's estate of pubs to 422.

Alistair Arkley, chief executive of Century, said: "This is the second purchase this year and further extends our portfolio in the North."

"The pubs are similar to our own estate, although they have lacked investment."

Of the pubs being acquired, 55 are a mixture of freehold and long-leasehold sites.

The pubs were originally acquired by Pub Partnership in 1992 for £13.6m. A valuation carried out in January by Humberts Leisure valued the pubs at £9.4m.

The last published figures showed that the 65 pubs made operating profits of £1.1m for the year to 29 February 1996.

Mr Arkley believes that the acquired pubs will be earnings-enhancing within the first full year of being under Century's umbrella.

"While we expect to incorporate them quickly, in the short term additional resources

will be required to achieve the anticipated long-term benefits," he said.

Century's shares firmed 0.5p to 194.5p on the deal.

In addition to the purchase, Century announced that it had struck a new brew supply contract with Carlsberg-Tetley. Century did not go into details about the contract, but did say it would run until 2002.

Thistle Hotels
profits
up 73%

Tom Stevenson
City Editor

Thistle Hotels disappointed the City despite announcing profits 73 per cent ahead at £50.1m in its first full-year figures since coming to the market last October. Its shares closed 8p lower at 198p.

Robert Peel, chief executive, said: "Key drivers to hotel profitability - volume and rate - have been growing steadily since April 1993 and improved strongly in 1996."

But analysts said the profits were slightly worse than expected, especially in the light of sparkling numbers from rival Millennium & Copthorne earlier this week.

As with Millennium & Copthorne, Thistle benefited from the high operating gearing of the hotel industry, converting 69 per cent of extra turnover compared with the previous year into profit. Mr Peel said Thistle had had a strong start to the current year with sales, volume and room rates all growing well.

In the 12 months to December, turnover increased to £290.3m despite a heavy refurbishment programme that took rooms out of commission during the period.

Earnings per share rose 35 per cent to 10.2p and, as promised at the time of the float, a 2p dividend was paid.

Thistle, formerly known as Mount Chadstone Hotels, said average occupancy increased to 66.7 per cent from 65.7 per cent, while the average room rate rose 14 per cent to £55. Thistle is shifting towards business travellers and away from discounted tourist packages. The commercial sector accounted for 38 per cent of room nights sold at Thistle's London hotels but accounted for 52 per cent of revenue in the capital.

The strategy helped lift operating profit 20 per cent to £106.7m. At the time of the public offering, Thistle forecast 1996 operating profit of not less than £100m.

Thistle, 46 per cent owned by New Zealand's Brierley Investments, raised about £250m at flotation to repay debt and invest in its 100 hotels under several brands. The company plans to expand its four-star Thistle brand from 51 properties to more than 70 by the end of 1998 by rebranding hotels. It will also remodel some hotels to increase total capacity by about 2,000 rooms.

Ladbroke closure sparks bid rumours

Clifford German

Ladbroke yesterday fuelled further speculation that it was about to launch a counter takeover bid for Capital Corporation, owner of Crookford's casino, by unexpectedly announcing the closure of its property division 48 hours before it is due to release financial results for 1996.

News of the closure, which involves Ladbroke writing off £52m and selling a substantial chunk of its remaining commercial property portfolio to Minerva for £25m, also came on the day that London Clubs published its formal offer document for Capital Corporation.

Leisure analysts in the City interpreted Ladbroke's announcement as clearing the decks ahead of a move for Capital. There is also some speculation that Peter George, chief executive of Ladbroke, may instead have his sights targeted on London Clubs itself.

London Clubs is offering 47 shares for every 100 in Capital Corporation, which values the target at almost £180m. London

Clubs shares rose 3p to 384p last night when values Capital Corporation shares at 180p. But Capital's shares were unchanged at 202p with investors anticipating a better offer.

Crucial to the offer could be the six shareholders which have over 50 per cent of both companies. London Clubs has comfortably outperformed Capital over the last three years in profits growth and share price performance, and its offer is already 31-times Capital's likely earnings per share in 1996 and 20-times its prospective earnings in 1997. But it is already committed to an expensive refurbishment programme, there is no cash alternative and the way is open for bigger rivals, which could include Rank as well as Ladbroke, to enter the fray.

Greg Frechely, an analyst at Dresdner Kleinwort Benson, believes, however, that Ladbroke would do better to use its links with Hilton Hotels to invest directly in casinos in Las Vegas, where returns are higher, rather than get involved in a bidding war with London Clubs. Ladbroke's decision to close

its property division has been on the cards since the company's founder Cyril Stein retired in 1994. At its peak in 1993 the property portfolio was worth £1bn and made a profit of £45m. It had been run down to £373m by the end of 1995 and the rumour is now valued at less than £70m.

The property division will be treated as a discontinued activity in the 1996 accounts. After property dealing losses of £5.6m its operating profit was £300,000.

Ten properties are being sold to Minerva at a 27 per cent discount to book value. Only £16m is payable on completion, the balance will be staggered over the next five years. It is Minerva's first acquisition since it was floated last November. Ladbroke also confirmed the sale of a large office building in Boston, Massachusetts to HN Gorin for £23m.

The closure of the property division is accompanied by exceptional costs of £52.3m mainly to cover losses on the disposals and to write down the remaining portfolio to a realistic value for quick sales.



Peter George: Looking to buy or to out-bid London Clubs?

Company Results				
	Turnover £	Pre-tax £	EPS	Dividend
Applied Distribution (F)	57.0m (42.7m)	0.28m (0.07m)	0.3p (10.4p)	1.5p (4.5p)
CALA (F)	44.2m (42.9m)	2.71m (2.11m)	4.21p (3.88p)	1.3p (1.2p)
Canadian Place (F)	22.8m (14.2m)	2.13m (1.41m)	8.7p (5.9p)	2.5p (4.8p)
Chadstone Group (F)	18.0m (8.8m)	0.88m (0.54m)	7.2p (4.23p)	3p (1p)
CWH (F)	42.43m (41.91m)	1.93m (1.60m)	40.99p (35.59p)	10.2p (8.1p)
Dorby Group (F)	20.5m (15.8m)	2.10m (0.66m)	7.54p (5.33p)	2.2p (2p)
EPT Group (F)	-	5.84m (5.1m)	9.83p (8.43p)	2.8p (2.1p)
Exelco Group (F)	72.4m (68.2m)	5.23m (5.06m)	15.5p (15.5p)	9p (8.9p)
General Accident (F)	-	720m (690m)	103.9p (82.9p)	34.25p (31p)
Hollyday Chemical (F)	165m (158m)	15.9m (12.1m)	10.8p (7.2p)	5.25p (5p)
Industrial Control (F)	44.8m (32.3m)	3.02m (2.12m)	3.8p (3.5p)	1.5p (1.5p)
Jardines Lloyd Thompson (F)	24.7m (23.1m)	10.8m (10.4m)	8.37p (8.34p)	6.25p (5p)
JIB Group (F)	178m (164m)	27.5m (48.8m)	13.5p (48.8p)	8.5p (7.5p)
Kerry Group (F)	31.2m (31.2m)	151.2m (143.2m)	25.5p (23.2p)	3.88p (1p)
S Lykes (F)	10.2m (7.99m)	0.18m (0.50m)	2.24p (4.88p)	0.75p (1.2p)
A&L Mowbray (F)	10.9m (10.0m)	5.95m (5.05m)	4.23p (3.72p)	4.384p (3.237p)
Pentaprop (F)	809m (509m)	12.8m (17.3m)	21.7p (18.7p)	0.8p (8p)
Grand Ocean Price (F)	3.53m (3.22m)	0.31m (0.58m)	2.8p (4.3p)	2p (4p)
Serco (F)	397m (322m)	18.2m (15.2m)	18.3p (15p)	5.5p (4.7p)
Southern Newspapers (F)	47.3m (42.8m)	8.17m (5.55m)	28.27p (17.15p)	5p (4.5p)
Smith & Nephew (F)	1.97m (1.88m)	178m (177m)	10.8p (10.2p)	5p (5.5p)
Smiths (F)	290m (268m)	27.7m (24.8m)	17.2p (15.9p)	2p (1p)
JD Wetherspoon (F)	65.0m (45.2m)	8.11m (5.55m)	20.5p (14.8p)	2.5p (3.1p)
Wyndham Garden Centre (F)	54.7m (48.0m)	8.03m (5.57m)	14p (11.7p)	6.12p (6.32p)

(F) - Final (I) - Interim (C) - Current fig 12 mths; previous 10 mths

Taking Stock

Share spotlight

Share price, Parson

Year	Share Price (\$)
1990	300
1991	450
1992	350
1993	550
1994	650
1995	600
1996	650
1997	700
1998	750
1999	750
2000	550

Parson

analysts, reckon a stock market listing for SES would bring a big cash bonanza for 6 per cent shareholder Pearson, the media and leisure group under new management.

SES, in which the Luxembourg government has a 20 per cent stake, could fetch anywhere between £2bn and £3bn, valuing Pearson's investment at up to £180m. That is double the amount some brokers have punched into their spreadsheets and could add up to 30p to their sum-of-the-parts calculations, pushing Pearson's estimated break-up value towards 1000p.

Majorio Cardino, Pearson's chief executive, is in

The deck-clearing exercise has already begun. Last month Pearson sold its 10 per cent stake in FVB, the Hong Kong television broadcaster, for \$111m. Realising the SES investment would be an obvious next step.

An SES spokeswoman confirmed the company intended to float at some stage but said there was no fixed timetable.

Pearson's shares have recovered since last month's discovery of a \$100m accounting fraud at its Penguin books subsidiary in the US. They touched a new low of 792.5p in early trading yesterday before slipping back to close 3.5p adrift at 775p after the American Booksellers Association reportedly alleged that Penguin USA unfairly granted discounts to large bookstore

MARKET REPORT
ATRICK TOOHER

Pearson's weaker tone contrasted with the firm trend among most other blue chips. The FTSE 100 ended 50.6 points better at a new closing high of 4357.7 and 1.4 points shy of the session's best level. Investors remain confident that interest rates will not rise ahead of the general election, while Wall Street continues to defy gravity.

BTR, reporting finals tomorrow, topped the list of best blue-chip performers, gaining 13p to 255.5p in response to news it had formed a strategic alliance between

The day's main casualty was MFI, whose shares collapsed 40.5p to 156.5p after the furniture retailer warned on a sudden slowdown in like-for-like sales. Analysts cut back their profit forecasts, with Merrill Lynch reducing its 1997 estimates by £15m to £70m and by £25m to £90m for 1998. MFI's competitors suffered from the fall-out, notably DFS, off 14.5p to 106p.

Among insurers, General Accident's results lifted the shares 10.5p to 847.5p. SBG Warburg urged clients to add to their holdings, as did Men

Commercial Union paused for breath, unchanged at 721p but plenty of buying interest was noted amid the 3.56 million turnover. Rumours continued to circulate that a European insurer, possibly Allianz of Germany, might be taking a closer look.

Smith & Nephew was the weakest blue chip, down 6.75p at 184.25p, as concerns about US competitive pressures and the strong pound overshadowed results. Also unloved was Ladbroke, reporting final loss Thursday, on sell advice from ABN Amro Hoare Govett and Lehman Brothers. That sent the share down to 277p.

Emap's dreadful run continued, the shares slumping another 10.5p to 739p as Credit Lyonnais moved from buy to hold. Two directors bought small lots of shares at prices b

Linx Printing Technologies was in demand, rising 19p to 153.5p on results way ahead of analysts' expectations. Investors have had a roller-coaster ride since the shares were floated in 1993, the price gy-

Holliday Chemical has also given investors palpitations during its four-year life as a public company, but the share added 8p to 134p after the speciality chemicals group posted

One company to put its shareholders out of their misery was Tomorrow's Leisure, which accepted a £16.2m offer from property group Wiggins for the 75 per cent of shares it does not already own. The shares, worth more than 100p in 1989, rose 3p to 9.25p.

Rumours that Midland Independent Newspapers is about to be taken over refuse to die down. One story doing the rounds is that Newspaper Publishing, owners of *The Independent*, is lining up a 175p a share bid after failing to land Westminster Press, another regional newspaper publisher, last year. Sources at the Mirror Group, which owns 46 per cent of Newspaper Publishing, continue to play down the speculation. Both Midland and the Mirror report results next week. Midland's shares edged 2.5p higher to 145p.

Shares in Waterfall Holdings floated last year at 45p, hit a new high of 84.5p, up 4.5p. In its biggest deal so far, Waterfall is paying Regent Inns £4.85m for 12 snooker clubs in the Midlands and the North of England, increasing the number of outlets to 36.

Share Price Data
Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.
Other details: £ Ex rights + Ex-dividend + Ex all Unlisted Securities Market + Suspended
Source: FT Information

pp Parity Paid pp Paid Shares 3 All show

The Independent Index

The Index allows you to access real-time share prices by phone from London Stock Exchange. Exchanges are open from 9.30am to 4.30pm and when prompted to do so, enter the 4-digit code for the exchange you wish to access. The Index is then called and the data is then followed by one of the two-digit codes below:

FTSE 100 - Real-time	01	Starting Rates	04	Privatisation Issues	36
UK Stock Exchange	02	Button Report	05	Water Shares	38
UK Stock Exchange	03	Wall St Report	20	UK Government Issues	39
Foreign Exchange	09	Stock Market	21	High Street Banks	41

Anyone with a land-line telephone can use this service. For a detailed description of the Index and its features, call 0800 121 3333.

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(S00pm)

Market leaders: Top 20 volumes					
Stocks	Volume	Stocks	Volume	Stocks	Volume
Coruscast	325,000	BGC	140,000	Merck & Spence	130,000
Beckings	150,000	BYR	75,000	ASDA Group	70,000
MFR	175,000	Yates & Tishm	60,000	LucanLaserly	60,000
Ward	160,000	Greth & Newbold	50,000	Shelton	50,000
BT	100,000	BAT Ind	30,000	National Grid	20,000

FTSE 100 index hour by hour	
Open 4223.6 up 15.0	11.00 42543.2 up 36.1
10.00 4232.1 up 16.5	12.00 42554.4 up 35.6
	13.00 42458.8 up 38.7
	14.00 42564.4 up 43.8
	15.00 42573.4 up 44.8
	Close 42571.7 up 50.2

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HOW CAN I MAKE the most of my savings and investments?



TURN TO Your Money

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100	98	Investment Trusts	98.50	100	98	Life Assurance	98.50
100	98	Media	98.50	100	98	Property	98.50
100	98	Pharmaceuticals	98.50	100	98	Printing & Paper	98.50
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UNIT TRUST GUIDE

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Australians take South Africans' scalp...

...as Beefy's bonce is laid bare by the barber



The Australians celebrate after Jacques Kallis is bowled by Shane Warne on the final day of the first Test against South Africa in Johannesburg yesterday. Australia's victory by an innings and 196 runs might have made Ian Botham's hair stand on end had he not had it all shaved off during England's defeat in Wellington yesterday. Botham's hair raised NZ\$100,000 (£43,000) for the Child Cancer Foundation

Reports, page 27; Main photograph, Mike Hewitt/Alfist; Botham photographs, Chris Turvey/Empics

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DOWN

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23 Composer found in concert hall, alone (4)

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Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL and printed at Warren Colour Press Ltd, Abingdon Road, Walford. Back issues available from Historic Newspapers, 01909 540171.

Injured Benazzi could miss French finale

France are facing the prospect of having to play their decisive Five Nations' Championship match against Scotland without their captain, Abdelatif Benazzi, and may be forced to a reorganise their back row.

The French captain, who sustained a rib injury last Saturday while helping his side to secure their first victory over England at Twickenham for a decade, has been unable to train with his club, Agen, this week and he now faces a struggle to be fit in time to face the Scots at the Parc des Princes on 15 March.

As France prepare for their attempt to complete their first Grand Slam in 10 years, they also have fears for the fitness of their No 8, Fabien Pelous. He is nursing an injured right hip and is also doubtful. If neither he nor Benazzi recovers, only Olivier Magne of the trio who provided the power behind the pack at Twickenham would line up in Paris.

By contrast, the Scots were unable yesterday to name the same players who steamrollered Ireland at Murrayfield on Saturday. It is the first time since last season's campaign that the Scots have kept the same side for successive games, and their team manager, Arthur Hastie, described yesterday's selection meeting as "basically a rubber stamp job".

their coach, Richie Dixon, though, pointed out that Scotland have done their best to achieve a degree of consistency in selection this season. "The team has been fairly stable apart from the midfield," he said. "We took the view that we

should keep the same forwards that played against England for the Irish match. Against Ireland, the midfield blend was what we hoped for. The players should now have gained confidence."

They will need plenty of that. "France are a bit of a Jekyll and Hyde team. They changed their pattern of play when they went 20-6 down against England. Then they played in a similar style to our game," Dixon said. "France are dangerous when they slow and go. There is no team like them when they are playing with confidence. But we have a core of players who played against France in the last two Five Nations matches and in the World Cup game in Pretoria."

The scenario England will be looking for is a crushing victory over Wales in Cardiff, while the Scots cause an upset in Paris. The first part of that combination, which could bring England the title on points difference, would seem, on the face of it, to look more likely than it was when the Welsh put up a vastly improved performance in losing in France.

The Wales coach, Kevin Bowring, whose side won at Murrayfield but undermined their campaign by surrendering to Ireland in Cardiff after taking an early lead, will wait "until the very last moment" to decide on his team to face England. His is contending with an injury list that meant he began the build-up for the England game without 10 of the side who finished the last game against France.

The Richmond duo of Allan Bateman and Scott Quinnell missed the session because of a clash with club duties, but the rest of the absentees - David Youne, Christian Loader, Mark

Rowley, Craig Quinnell, Robert Howley, Arwel Thomas, Scott Gibbs and Ieuan Evans – were due to injury. In addition to the walking wounded, the squad props, Andrew Lewis (broken ribs) and Lydon Mustoe (knee operation), also add to Bowring's injury problems.

Arnold's knee and we don't really know about Dai Young's ankle at the moment," Bowring said. "I think we will announce a squad of 23 on Thursday and then give the injured players as long as possible to recover for the game before finalising the side.

"I wouldn't mind waiting until 3pm on the day of the game before deciding, as long as I'm able to work with other squad members in the meantime."

Paul Arnold, the Swansea lock, and Alan Phillips, the Ebtw Vale prop, have been drafted into the squad and Arnold could be in line for a recall to combat the English line-out threat.

SCOTLAND: R Shepherd (Melrose); A Stanger (Howick); A Tait (Newcastle); & Townsend (Northampton); K Logan (Strirling County); C Chalmers (Melrose); & Rendpath (Melrose); T Smith (Watsonians); & Ellis (Carnegie); M Stewart (Northampton); & Weir (Newcastle); A Reed (Wazpi); R Walworth (Watsonians, capt.); P Watson (Newcastle); I Smith (Melrose); replacements: C Glasgow (Henric's FP); D Hodge (Watsonians); & Armstrong (Newcastle); D Cronin (Wazpi); D Hilton (Rath); S Brothertonstone (Melrose).

■ Swansea have postponed their Swalec Cup quarter-final against Neath at The Gnoll for a week as Scott Gibbs and Colin Charvis will be away with the Wales squad competing in the Hong Kong Sevens. Welsh Rugby Union rules allow clubs with two or more players absent on international duty to postpone League or Cup matches, which could lead to two more of the quarter-finals on 22 March being disrupted.

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